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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1965



Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1965



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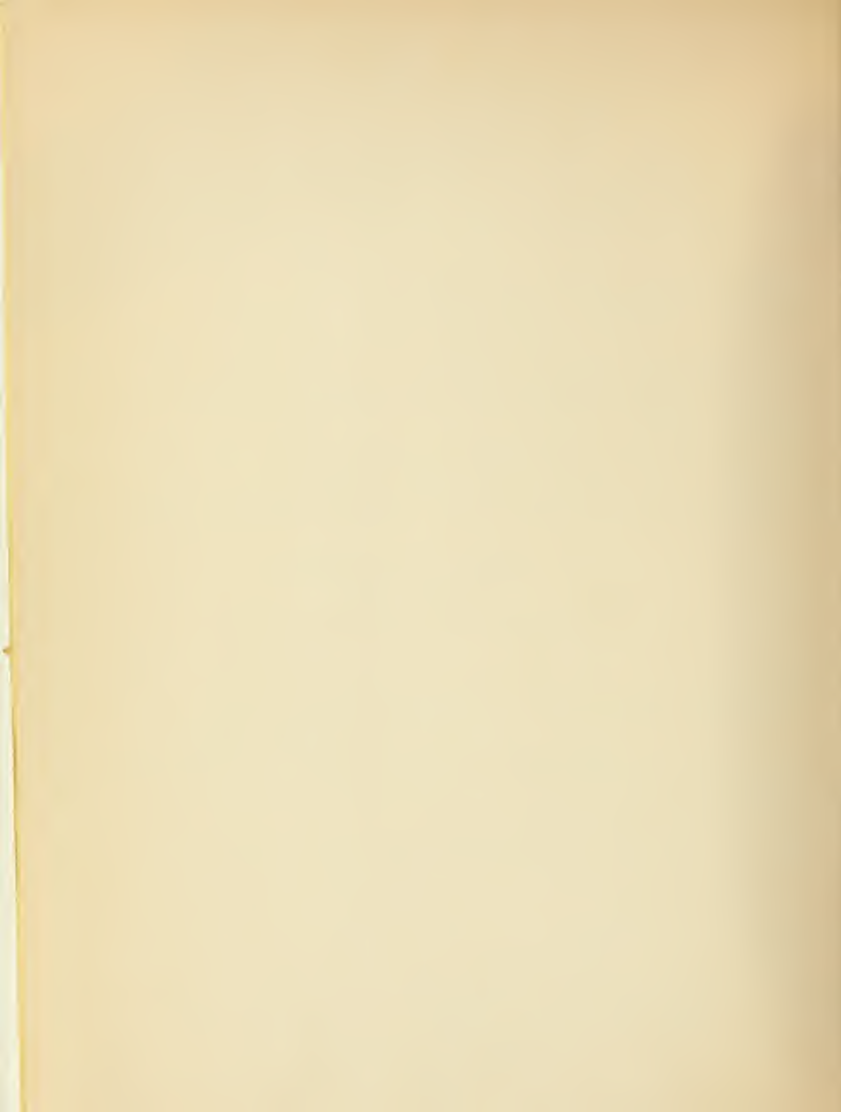
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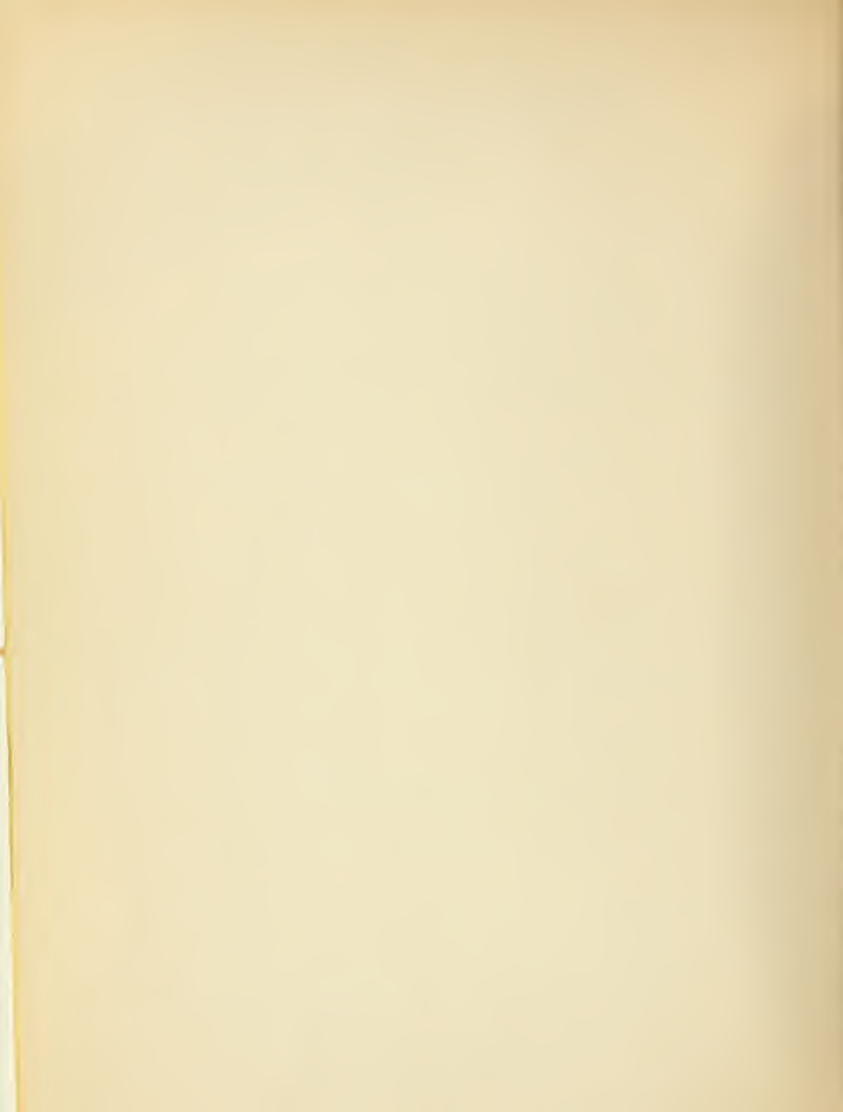
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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

January 26, 1966

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1965 is submitted herewith, as provided by Section 65 of the Charter.

The accounts of the Controller were audited by Lybrand, Ross Bros. & Montgomery by direction of the Board of Supervisors, in accordance with provisions of Section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water and Power Project, by John F. Forbes & Company.

Municipal Railway, by Webb & Webb.

San Francisco Airport, Hood and Strong.

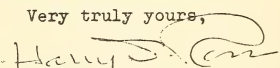
San Francisco School Department, by Harold T. Hoertkorn & Co.

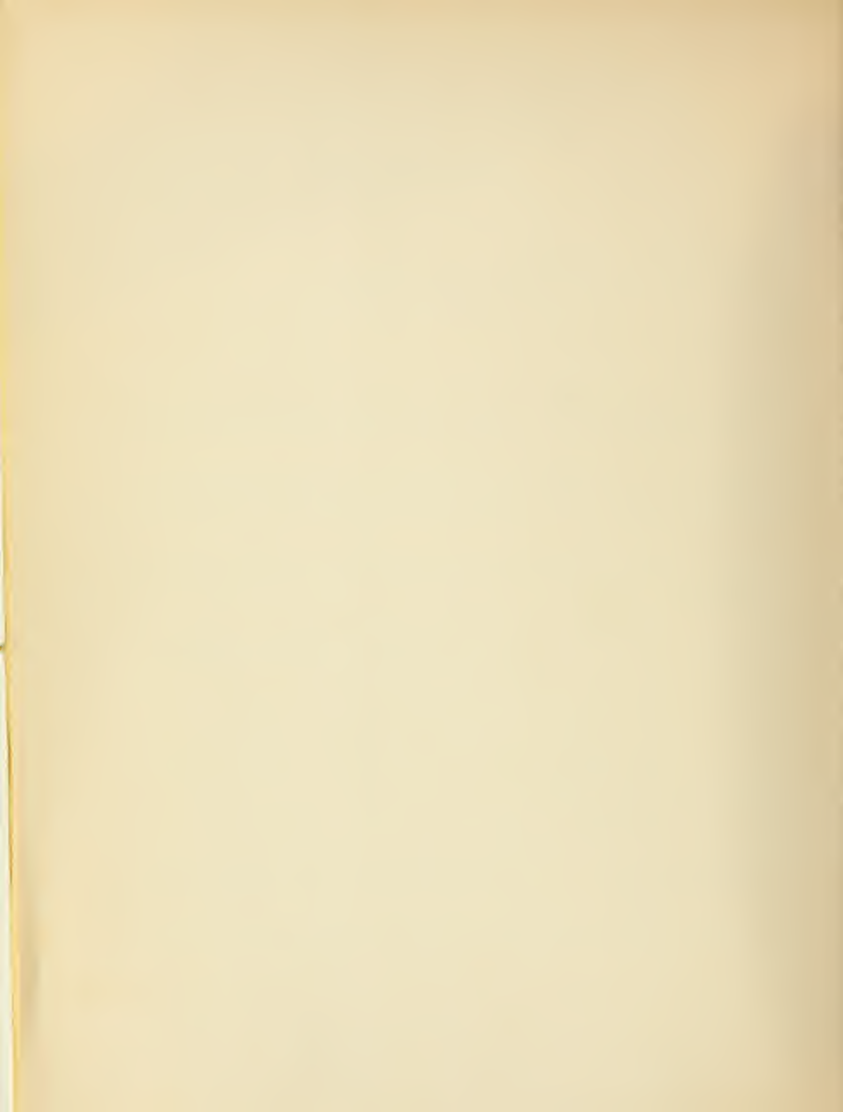
Employees' Retirement System, by Farquhar & Heimbucher.

As prescribed by Section 66 of the Charter, the audit of the Office of the Treasurer of the City and County of San Francisco was made by the Controller's Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,


HARRY D. ROSS
CONTROLLER



CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1955-56 to 1964-65

FISCAL YEAR ENDED JUNE 30

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Property Taxes and Penalties.....	\$ 93,181,568	\$ 99,074,852	\$103,423,962	\$111,434,284	\$121,137,096	\$124,249,582	\$141,557,944	\$140,936,654	\$148,964,077	
Retail Purchase and Use Tax.....	5,603,369	11,305,366	13,197,860	15,395,609	17,018,283	16,945,791	17,382,374	18,395,445	18,963,993	
Hotel Room Tax.....	1,928,163	1,270,812	1,031,980	1,077,543	1,225,175	1,144,029	1,224,615	1,271,247	1,477,939	
Other Taxes and Licenses.....	2,859,703	3,094,354	3,126,196	3,312,461	3,551,792	3,438,471	3,585,605	3,502,194	3,561,223	
Court Fines.....	8,785,907	8,757,344	9,562,623	10,801,621	11,416,643	11,971,527	14,640,314	17,757,976	18,791,942	
Departmental Revenues.....	518,865	699,822	1,020,629	1,490,724	1,800,964	2,771,309	3,196,600	4,032,393	4,565,593	
Earnings.....	356,767	355,847	355,342	355,183	354,468	354,468	354,468	354,468	354,468	
Rents, S. F. Unified School District.....	143,779	129,980	166,774	186,603	192,541	202,156	211,741	251,733	284,927	
Housing Authority in Lieu of Taxes.....	88,143	87,276	185,254	107,586	247,724	689,488	279,616	324,104	380,921	
Miscellaneous.....	109,139,314	118,725,806	127,689,482	136,124,750	146,555,917	158,848,802	166,382,038	188,437,202	190,345,221	200,824,391
Cash Transferred from Capital Funds.....	608,416	429,641	242,955	1,760	107,319	750	.....	.....	.....	.....
Cash Transferred from Trust Funds.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Revenues Through State of California	109,747,730	119,155,447	127,932,437	136,126,510	146,963,230	158,849,552	166,382,038	188,437,202	190,345,221	200,824,391
Shared State Taxes:										
Motor Vehicle Tax:										
Special Gas Tax Street Imp. Fund.....	2,389,601	2,415,641	2,303,570	2,325,911	2,327,870	2,269,151	2,540,300	2,285,185	3,765,318	4,988,996
Special Gas Tax Imp. Fund.....	2,143,934	2,218,056	2,231,470	2,296,147	2,336,522	2,337,096	2,367,134	2,463,069	2,900,675	3,329,569
Motor Vehicle Registration Fees.....	416,204	436,687	439,308	448,973	451,649	446,306	461,695	471,475	510,388	.....
Motor Vehicle License Fees.....	7,068,836	7,655,056	7,720,739	7,814,635	8,191,759	6,678,511	6,761,267	7,255,675	7,885,224	7,825,842
Miscellaneous Trade License Subsidy.....	1,290,311	1,185,907	1,234,572	1,267,536	1,271,137	1,217,220	1,219,730	1,250,000	1,222,837	1,189,796
State and Federal Grants-In-Aid:										
Maintenance of Minors.....	559,526	542,769	604,193	691,882	682,619	751,783	801,051	892,662	1,052,709	1,226,335
Aid to Needy Children.....	3,453,075	3,737,658	4,474,871	5,337,379	6,237,979	7,056,224	8,046,108	8,442,839	9,872,609	12,082,610
Aid to Needy Blind.....	526,134	547,634	575,855	592,474	640,287	636,347	595,483	668,694	738,310	802,796
Aid to Needy Aged.....	11,459,951	11,849,568	12,178,122	12,022,629	12,112,831	11,967,231	11,755,444	12,764,500	13,638,010	14,677,542
Needy Disabled.....	.....	.....	109,826	506,106	455,720	625,812	837,322	1,396,374	2,219,232	3,736,591
Medical Assistance to Aged.....	.....	.....	.....	.....	.....	.....	1,014,062	6,069,178	6,079,024	7,142,500
Natal Care Program.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Adoption Program.....	95,656	90,319	479,262	1,295,978	824,875	1,537,439	2,218,138	2,571,892	2,842,214	3,513,779
Homes for Children and Aged.....	34,195	35,225	49,772	52,764	47,125	47,100	138,655	173,802	38,877	46,059
School Appointments from State.....	11,451,505	11,719,609	12,988,207	13,424,703	13,984,750	14,145,660	14,456,955	14,933,096	14,938,290	15,198,833
Child Care Centers.....	44,435	49,082	223,033	117,131	117,741	123,150	132,572	137,394	137,933	174,569
Child Care Service Fund.....	513,056	481,842	553,824	567,374	555,159	583,621	589,603	567,025	583,036	601,054
School Cafeteria.....	193,129	254,585	284,408	283,039	284,108	292,102	299,044	308,606	318,147	307,585
Teachers' Retirement.....	993,475	1,018,652	1,941,621	1,901,923	1,898,280	1,894,126	1,872,413	1,863,328	1,771,847	1,929,833
Driver Training Program.....	26,400	61,680	88,829	92,470	93,580	117,456	127,259	147,746	177,648	184,725
Aid to Needy Aged.....	14,345	15,719	8,939	13,749	11,419	11,419	12,259	14,036	16,058	20,131
Subsidized Day Camp.....	329,139	339,071	330,761	330,761	331,202	331,202	331,202	331,202	331,202	331,202
Gratified Children Program.....	369,897	231,978	416,815	145,333	340,062	346,897	369,308	393,862	404,902	430,785
Mental Hygiene.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other Public Health Subsidies.....	245,654	330,438	275,057	639,763	643,034	784,905	929,321	1,257,067	187,100	96,635
Aid for Log Cabin Ranch.....	54,930	57,252	68,599	92,767	94,739	94,739	93,732	96,447	96,447	96,447
Fire Boat and Waterfront Expense.....	221,503	243,220	246,826	277,590	282,043	303,605	331,288	330,096	340,571	340,571
Disaster Council and Corps.....	15,107	.....	8,835	213*	.....	.....	64,690	102,797	155,763	92,518
Miscellaneous.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Youth Authority Aid for Construction.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Revenues	15,060,003	16,695,916	19,502,284	21,611,660	23,412,859	25,472,035	27,511,067	29,514,085	31,514,468	34,700,180
	\$154,800,313	\$165,530,913	\$176,142,235	\$187,170,230	\$198,412,859	\$210,214,587	\$222,585,100	\$235,692,550	\$249,599,523	\$264,324,380

* Denotes Deduction

** Included in Other Public Health Subsidies in report to

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF EXPENDITURES

Fiscal Years 1955-56 to 1964-65

FISCAL YEAR ENDED JUNE 30

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Departmental Expenditures										
General Government	\$ 10,250,985	\$ 10,787,773	\$ 12,501,200	\$ 12,289,237	\$ 13,435,733	\$ 14,150,270	\$ 14,997,753	\$ 17,704,934	\$ 18,467,316	\$ 19,357,669
Public Safety	22,057,205	24,483,491	25,867,480	26,113,133	28,647,324	30,280,187	32,005,602	33,967,895	35,409,630	37,607,963
Highways	3,450,138	3,569,748	3,770,786	3,783,819	4,110,110	4,188,091	4,696,580	4,579,308	4,669,001	4,984,128
Sanitation and Waste Removal	3,486,355	3,683,729	4,016,225	4,214,077	4,399,582	4,673,023	4,759,611	5,037,409	5,701,714	5,582,102
Conservation and Health	2,918,451	3,208,258	3,383,932	3,530,932	3,782,987	3,934,546	4,207,186	4,473,002	4,570,549	4,747,523
Public Welfare	2,918,451	3,208,258	3,383,932	3,530,932	3,782,987	3,934,546	4,207,186	4,473,002	4,570,549	4,747,523
Public Works	23,470,816	24,472,876	26,997,653	30,122,833	31,144,833	33,985,316	38,199,584	42,571,169	47,170,384	51,481,751
Education	2,184,814	2,278,679	2,578,723	2,822,999	2,959,724	3,144,240	3,413,255	3,724,341	3,920,223	4,170,153
Schools	33,965,430	37,832,750	40,743,782	43,469,829	44,930,799	48,895,985	50,704,653	56,160,031	59,467,135	64,051,550
Utilities	1,168,106	1,303,988	1,396,034	1,513,372	1,636,585	1,561,626	1,549,653	1,815,186	1,954,228	2,164,271
Recreation	5,824,208	6,132,717	6,933,718	7,374,374	7,737,479	8,233,463	8,701,575	9,357,861	9,884,510	10,412,020
Total Departmental Expenditures	116,634,732	125,893,231	136,757,390	144,418,794	152,511,141	163,242,736	174,810,066	198,179,254	209,650,967	228,777,926
Special Expenditures	6,888,000	7,407,000	8,492,000	10,406,000	12,311,000	12,731,000	13,536,000	14,940,000	15,037,000	14,652,000
Total Interest	1,669,775	1,835,093	2,297,474	2,914,307	3,161,155	3,119,016	2,949,593	3,057,794	2,837,660	2,617,496
Pensions and Compensation										
Contributions to Health Service System										
Contributions to Retirement System										
Contribution to Federal Social Security	15,325,584	17,142,220	16,167,712	16,084,201	17,687,793	17,490,749	13,680,996	14,292,788	14,746,648	14,566,478
Judgments and Losses										
Support of Public Service	175,068	190,333	18,779	101,982	156,369	1,044,838	1,139,443	1,352,284	1,663,718	1,774,796
Airports	795,774	1,323,029				74,403	209,742	1,464,185	100,184	216,219
Municipal Railway	3,098,178	3,495,329	3,452,414	5,888,802	5,339,839	5,454,608	5,762,319	6,279,509	6,991,929	7,359,122
Public Utilities Commission:										
Light, Heat and Power Bureau					713					
Capital Additions From Revenues	210,319	188,436	70	664						
Transfers to Capital and Trust Funds	5,500,062	5,494,473	5,829,651	8,618,422	6,352,217	7,201,345	8,057,768	9,279,430	7,455,434	11,267,287
Civilian Defense	185,934	230,611	176,758	123,500	109,566	92,852	97,220	165,659	120,013	967,500
Fire, Police, and Other Civil Divisions	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	175,951
Miscellaneous, net	48,261*	932,341*	1,356,731	1,342,568	225,788	465,996	27,070	27,070	24,338	32,515
Total Expenditures	\$150,567,165	\$162,379,214	\$174,860,979	\$190,288,002	\$198,600,879	\$211,751,535	\$221,013,247	\$250,517,392	\$260,204,546	\$284,087,207

*Denotes Credit

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1955-56 to 1964-65

FISCAL YEAR ENDED JUNE 30

	1956 (a)	1957 (a)	1958 (a)	1959 (a)	1960 (a)	1961 (a)	1962 (a)	1963 (a)	1964 (a)	1965 (a)
Water Sales	\$13,048,334	\$13,262,961	\$13,699,044	\$14,875,439	\$15,646,088	\$15,656,772	\$16,413,844	\$15,658,453	\$16,720,252	\$17,401,022
Operating Expenses:										
Provision for Depreciation ..	1,190,549	1,130,856	1,160,692	1,173,932	1,416,187	1,410,685	1,484,352	1,514,736	1,557,505	1,663,842
Other Operating Expenses ..	8,119,086	8,359,446	8,652,230	9,771,630	10,052,058	10,186,508	10,635,052	11,524,011	11,555,878	11,990,774
	9,309,635	9,490,302	9,812,922	10,945,562	11,468,245	11,597,193	12,119,404	13,038,747	13,113,383	13,654,616
Profit from Operations	3,738,699	3,772,659	3,886,122	3,929,877	4,177,843	4,059,579	4,294,440	2,619,706	3,606,869	3,746,406
Other Income	379,623	408,528	775,729	482,643	1,294,136	1,702,070	1,021,573	913,235	1,174,832	1,075,166
	4,118,322	4,181,187	4,661,851	4,412,520	5,471,979	5,761,649	5,316,013	3,532,941	4,781,701	4,821,572
Other Expenses:										
Interest on Bonded Debt ...	838,325	782,031	724,963	665,210	604,654	544,525	484,484	423,757	362,686	311,971
Other	71,003	97,204	110,905	172,687	64,404	59,589	69,627	80,982	105,402	75,172
	909,328	879,235	835,868	837,897	669,058	604,114	554,111	504,739	468,088	387,143
Net Income	\$ 3,208,994	\$3,301,952	\$ 3,825,983	\$ 3,574,623	\$ 4,802,921	\$ 5,157,535	\$ 4,761,902	\$ 3,028,202	\$ 4,313,613	\$ 4,434,429

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS

Fiscal Years 1955-56 to 1964-65

FISCAL YEAR ENDED JUNE 30

	1956 (a)	1957 (a)	1958 (a)	1959 (a)	1960 (a)	1961 (a)	1962 (a)	1963 (a)	1964 (a)	1965 (a)
Power Sales	\$4,517,503	\$4,804,325	\$4,900,849	\$5,379,041	\$6,593,186	\$6,948,453	\$8,572,792	\$8,930,781	\$10,764,462	\$10,789,731
Standby Charge and Sale of Water to the S. F. Water Dept	4,030,000	4,030,000	4,030,000	4,500,000	4,500,000	4,500,000	4,600,000	5,000,000	4,500,000	4,500,000
	8,547,503	8,834,325	8,930,849	9,879,041	11,093,186	11,448,453	13,172,792	13,930,781	15,294,462	15,289,731
Operating Expenses:										
Provision for Depreciation	1,794,028	1,914,026	1,910,742	1,920,811	1,893,673	1,889,368	2,470,318	2,476,798	2,532,078	2,607,717
Other Operating Expenses	3,170,478	3,645,177	3,721,576	4,351,980	5,575,584	4,598,992	6,585,611	4,012,537	4,999,389	6,562,805
	4,964,506	5,559,203	5,632,318	6,272,791	7,469,257	6,488,360	9,055,929	6,489,335	7,531,467	9,170,522
Profit from Operations	3,582,997	3,275,122	3,298,531	3,606,250	3,623,929	4,960,093	4,116,863	7,441,446	7,762,995	6,119,209
Other Income	40,255	109,527	100,342	123,598	67,274	54,969	212,958	82,857	73,273	72,887
	3,623,252	3,384,649	3,398,873	3,729,848	3,691,203	5,015,062	4,329,821	7,524,303	7,836,268	6,192,096
Other Expenses:										
Interest on Bonded Debt	1,451,714	1,380,333	1,275,916	1,164,940	1,053,677	942,708	1,822,735	1,498,108	1,237,935	1,125,097
Other .....	.....	.....	11,188	.....	.....	.....	.....	.....	8,680	2,568
	1,451,714	1,380,333	1,287,104	1,164,940	1,053,677	942,708	1,822,735	1,498,108	1,246,615	1,127,665
Net Income	\$2,171,538	\$2,004,316	\$2,111,769	\$2,564,908	\$2,637,526	\$4,072,354	\$2,507,086	\$6,026,195	\$6,589,653	\$5,064,431

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY
STATEMENT OF OPERATIONS
Fiscal Years 1955-56 to 1964-65

FISCAL YEAR ENDED JUNE 30

	1956	1957	1958	1959	1960	1961	1962	1963	1964 (a)	1965 (a)
Revenues	\$20,456,021.15	\$20,242,262.43	\$19,842,117.52	\$19,818,276.67	\$19,941,385.08	\$19,825,869.89	\$19,899,907.13	\$19,891,544.58	\$20,053,627	\$19,904,815
Operating Expenses:										
Depreciation	1,399,251.37	1,041,798.34	1,056,028.47	1,074,052.21	1,008,122.41	1,041,337.81	1,042,646.77	1,030,412.07	995,768	756,239
Other Operating Expenses	20,559,117.37	20,931,375.55	21,732,587.20	22,381,559.32	23,434,834.52	24,735,997.70	24,896,125.56	25,524,583.05	26,307,427	27,257,553
Profit from Operations	21,958,366.74	21,973,173.89	22,788,015.67	23,455,611.53	24,512,356.93	25,777,335.51	25,938,772.33	26,554,995.12	27,303,195	28,013,792
Other Income	1,502,347.59*	1,730,911.46*	2,946,498.15*	3,637,334.86*	4,561,571.25*	5,951,465.62*	6,038,865.20*	6,663,450.54*	7,249,568 *	8,108,977*
Net Income	92,562.84	95,299.57	172,092.29	78,942.16	82,299.12	80,877.30	64,794.84	64,869.30	64,434	67,913
	1,409,784.75*	1,635,611.89*	2,774,405.86*	3,558,392.70*	4,479,272.13*	5,870,588.32*	5,974,070.36*	6,598,581.24*	7,185,134 *	8,041,064*
Other Expenses:										
Interest on Bonded Debt	227,698.57	200,922.05	182,051.07	153,631.45	122,907.90	93,187.94	63,151.24	33,027.92	7,383	320
Other	17,711.64	93,358.55	73,649.11	79,324.38	110,217.34	16,054.22	44,206.17	175,976.28	92,714	1,555
Net Income	245,410.21	294,280.60	255,700.18	232,955.63	213,205.24	109,242.16	107,357.41	209,004.20	100,097	1,875
	\$1,655,194.96*	\$1,939,892.49*	\$3,030,106.04*	\$3,791,348.53*	\$4,712,477.37*	\$5,979,830.48*	\$6,081,427.77*	\$6,807,585.44*	\$7,285,231 *	\$8,042,939*

*Debits Loss.

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1955-56 to 1964-65

FISCAL YEAR ENDED JUNE 30

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Revenues:										
Landing Charges	\$ 480,489.69	\$ 524,316.77	\$ 782,302.59	\$ 969,365.05	\$1,177,792	\$1,241,962	\$1,433,118	\$1,607,636	\$1,782,815	\$2,025,232
Rentals	853,288.87	909,322.81	902,488.11	945,384.48	1,157,237	1,434,628	1,586,642	1,702,313	1,726,658	2,587,001
Other	1,251,440.88	1,497,332.18	1,735,589.77	1,991,388.36	2,699,639	2,870,412	3,162,215	3,442,318	3,860,972	4,433,664
	2,585,219.44	2,930,971.76	3,420,380.47	3,906,137.89	5,034,668	5,547,002	6,181,975	6,752,267	7,770,645	9,045,897
Operating Expenses:										
Depreciation	1,029,908.17	1,034,550.22	1,037,458.19	938,835.86	1,094,635	1,210,920	1,352,548	1,432,904	1,386,384	2,013,916
Other Operating Expenses	1,401,178.89	1,576,111.88	1,617,240.98	1,691,756.56	1,866,731	2,152,703	2,223,422	2,426,153	3,122,121	3,495,612
	2,431,087.06	2,610,662.10	2,654,699.17	2,630,592.42	2,961,366	3,363,623	3,575,970	3,859,057	4,508,505	5,509,528
Profit from Operations	154,132.38	320,309.66	765,681.30	1,275,545.47	2,073,302	2,183,379	2,606,005	2,893,210	3,262,140	3,536,369
Other Income	114,560.28	153,133.22	162,694.66	214,606.60	44,377	10,710	66,391	92,380	21,809	
	268,692.66	473,442.88	928,375.96	1,490,152.07	2,117,679	2,194,089	2,672,396	2,985,590	3,283,949	3,556,369
Interest on Bonded Debt	168,796.86	138,540.00	111,466.05	86,476.03	166,511	244,700	399,243	319,722	506,748	519,334
Other Expenses	89,173.95	57,896.23	(4,952.20)	471,532.98					342,731	5,320
	257,970.81	196,436.23	106,513.85	558,009.01	166,511	244,700	399,243	319,722	849,479	524,654
Net Income	\$ 10,721.85	\$ 277,006.03	\$ 821,862.11	\$ 932,143.06	\$1,951,168	\$1,949,389	\$2,273,153	\$2,665,868	\$2,434,470	\$3,011,715

CITY AND COUNTY OF SAN FRANCISCO
FOR THE TEN YEAR PERIOD JULY 1, 1955 TO JUNE 30, 1965

	Increase or Decrease*			Balances June 30, 1965		
	Total	Land	Structures, Improvements	Equipment	Land	Structures, Improvements
GENERAL GOVERNMENT						
Public Center and City Hall	\$ 3,006,451.45	\$ 351,932.83*	\$ 1,735,448.25	\$ 1,622,938.03	\$ 13,032,898.24	\$ 5,398,151.40
Police Department	2,276,703.99	245,474.35	4,485,080.41	2,542,149.23	23,681,000.88	15,566,168.96
Police Department	21,089,060.00	681,349.85	17,235,798.43	3,171,911.72	25,718,866.18	19,321,711.56
Department of Electricity	1,010,759.73	247,652.54	666,328.11	96,783.08	1,960,941.90	1,395,177.93
Streets, Tunnels, Bridges, etc.	41,571,950.49	9,423,631.54	31,552,458.86	595,760.09	144,323,587.67	122,639,352.94
Asphalt Plant	11,167.68*		11,167.68*		633,145.17	518,412.60
Off-Street Parking	5,477,312.45	5,355,168.66	122,144.79		6,369,422.14	173,469.07
Sewers and Sewer Disposal Plant	18,771,484.34	170,426.72	18,204,558.47		77,940,996.73	75,223,393.49
Street Cleaning Department	536,360.93		356,499.15		1,295,444.27	15,000.00
Sanitation Department			536,360.93		831,462.68	65,142.60
HEALTH CONSERVATION						
Hassler Health Home	232,005.26		150,855.12		1,557,925.83	29,442.00
Civic Center Health Building	522,011.50*	112.50*	54,605.65		1,785,038.24	95,130.36
City of Health Center	332,710.60	34,257.03*	366,967.63		1,785,038.24	66,618.18
Other					696,136.30	456,323.14
HOSPITALS						
San Francisco General Hospital	8,212,340.25		6,875,556.60	1,336,583.65	15,904,131.63	12,611,530.11
San Francisco General Hospital	165,024.75		1,043.67		674,926.97	84,018.82
LAGUNA HORDA HOSPITAL						
LAGUNA HORDA HOSPITAL	6,688,031.53		5,837,727.35	850,296.38	12,232,889.29	35,062.15
PUBLIC WELFARE						
Department of Social Services	76,350.78		424,550.77	517,784.01	1,131,089.80	255,030.77
CORRECTIONS						
County Jail	18,066.65	12,481.37	5,585.28		900,877.61	38,156.52
Juvenile Detention Home - Old	447,880.20		306,137.12	141,743.08	4,782,632.73	20,400.00
Juvenile Detention Home - New	800,707.53	4,194.00*	797,899.36	17,002.17	999,339.40	20,916.09
Juvenile Detention Home - New	44,843,965.05	810,998.91	37,652,791.37	6,410,224.77	145,658,992.46	14,883,515.74
SCHOOLS						
Schools	2,832,969.74	136,135.52	671,443.43	2,025,410.79	6,811,091.70	536,726.65
LIBRARIES						
Public Library	25,209,140.66	8,343,121.07	15,458,765.39	907,654.22	65,469,585.78	32,970,032.57
Museums, Art Galleries, etc.	3,131,082.24		3,013,193.70		5,018,678.86	4,541,946.33
War Memorial and Opera House	1,786,650.78		1,594,362.81	192,287.97	3,600,573.94	463,187.20
California State Museum	12,734,275.71		11,794,362.81	939,913.90	23,537,032.36	13,357,032.36
California State Museum	753,275.71		743,275.71	10,000.00	2,532,786.03	1,767,540.53
Kezar Stadium	504,456.82		304,456.82		1,449,249.11	222,851.48
OTHER						
General Warehouse & Corp. Yard	1,447,461.75	255,534.11	1,191,927.64		2,454,141.75	1,961,200.66
Retirement System	432,652.86	432,652.86*	23,936.80		42,170.64	15,525.00
Miscellaneous	403,650.70				1,270,311.72	159,865.06
Relinquished War Housing					403,650.70	487,562.82
Total	\$208,550,267.43	\$36,247,971.13	\$159,953,259.83	\$32,249,036.47	\$587,061,277.89	\$350,484,008.23
						\$50,219,486.63

* Denotes decrease

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTY - BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1955 TO JUNE 30, 1965

SOURCE OF FUNDS

CURRENT FUNDS	Total	Land	Buildings, Structures, Improvements	Equipment
General Fund	\$ 23,652,445.07	\$ 794,407.65	\$ 10,497,682.91	\$ 12,460,154.51
Recreation & Park	3,400,560.95	2,104,919.49	1,221,286.45	82,355.01
Marine Fisheries	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Marine Museum	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Legion of Honor	194,636.64	125,297.22	125,297.22	1,689,405.44
de Young Museum	200,798.23	192,821.17	192,821.17	1,817.47
California State Tax Street Improvement	8,036,523.62	12,357,139.23	12,357,139.23	5,659.00
Head Fund	13,323,924.28	1,406,555.56	11,863,597.27	48,771.45
S. P. Unified School District	8,193,537.53	1,721,882.62	3,686,647.06	4,681,073.69
San Francisco General Hospital	57,032.42	581,573.50	230,052.81	230,052.81
Child Care Council Reserve	15,556.78			15,556.78
County School Service	1,794,788.98	2,227.20	7,788.98	9,932.17
Publicity & Advertising	1,794,788.98		265,044.07	13,665.79
Light, Heat & Power	1,794,788.98	1,064,711.70	116,509.22	
Off-Street Parking	1,194,706.71	\$13,463,882.50	\$43,081,841.40	\$ 19,205,970.48
CAPITAL FUNDS:	\$ 75,651,694.38			
Real Property - General City	\$ 805,542.60*	\$ 712,567.11*	\$ 32,975.49*	
1933 Severe	23,507.93	494,566.12	122,507.93	
1934 Severe	1,213,725.06	82,708.95*	49,708.95*	25,548.26
1947 Street Improvement	6,454,423.13	98,894.94	6,355,478.65	50.48
1947 Recreation	4,536,940.83	231,838.29	4,305,472.35	49.50
1947 Off-Street Parking	4,257,037.08	4,257,037.08	1,222.01	99,630.21
1948 School Treatment	9,554,464.62	10,282.41*	1,445,893.07	
1952 Zirehouse	3,858,694.85	115,622.67	9,038,415.55	530,331.48
1954 Severe	1,160,382.18		3,742,974.57	57.61
1954 San Francisco Hospital	6,185,476.28	242,919.69	11,160,362.18	340,116.55
1954 Knoll Hall	4,501,265.77	5,000,000.00	5,660,442.23	282,114.36
1955 Playground & Recreation Centers	4,373,545.37	509,813.65	3,816,559.99	47,193.73
1955 Hall of Justice	18,725,109.65	765,989.23	17,110,145.75	848,980.67
1956 Severe	23,665,732.18	4,991,077.62	1,665,732.18	626,179.13
1958 Recreation	7,228,830.79		7,654,765.31	75,065.48
1959 Civic Center Auditorium	1,574,532.99	998.86	254,493.89	
1960 Palace of Fine Arts (1)	3,631,521.61		3,612,522.75	
1961 Fort Funston	1,070,580.00	1,070,580.00		
1961 Severe	400,620.70		830.00	
Relinquished War Housing				
TRUST FUNDS:	\$129,354,101.02	\$12,484,078.65	\$113,404,723.13	\$ 3,075,299.26
Nell V. O'Connell	\$ 654.49	\$	\$ 140,566.42	\$ 654.49
State Highway	140,566.42			19,274.33
Steinberg Bequest	13,508.70			1,004.70
Miranda Jax Foundation - School	9,911.38			9,911.38
State Foundation of Education - School	618,205.49			4,185.67
State Loan Fund	10.00			
Levi Strauss Foundation	8,957.83		618,205.49	
Sharp's Park Archery Range	271,777.19			
Strapping Bequest (1)	3,008.60			
Health Service	1,689,779.28			3,008.60
Palace of Fine Arts Trust (1)	14,877.10			
Fuhrman Bequest	29,123.56			29,123.56
Steinbrunn Bequest	512,194.70		512,194.70	
Other Trusts	\$ 3,534,472.03	\$	\$ 3,466,695.30	\$ 67,766.73
Total	\$208,350,267.43	\$26,247,971.13	\$199,993,259.83	\$ 22,349,036.47

* Donates Decrease

(1) Expenditures of Funds of the 1959 Palace of Fine Arts Bond Fund and the Walter S. Johnson Gift Fund are currently included in undistributed expenditures of the Palace of Fine Arts Trust Fund.

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1956-57 to 1965-66

	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject To City & Co. Ad Valorem Rate	Rate	Solvent Credits Taxed @ 10¢ per \$100	Total Roll
1956-57 Unsecured - City and County Assessor....			251,560,750	2,791,079	248,769,671	7.02	796,294,793	1,045,064,464
Secured - City and County Assessor.....	353,996,820	606,234,380	8,902,349	57,862,613	911,270,936	7.06	8,651,591	919,922,527
Secured - State Board of Equalization.....	18,011,480	77,302,980	50,165,830	.....	145,480,290	7.06	54,914,560	200,394,850
Total.....	\$372,008,300	\$683,537,360	\$310,628,929	\$60,653,692	\$1,305,520,897		\$859,860,944	\$2,165,381,841
1957-58 Unsecured - City and County Assessor....			263,114,805	3,562,157	259,552,648	7.06	838,652,023	1,098,204,671
Secured - City and County Assessor.....	356,155,315	622,670,687	10,275,298	59,422,666	929,678,634	7.37	9,241,983	938,920,617
Secured - State Board of Equalization.....	19,902,920	79,799,130	50,925,980	.....	150,628,030	7.37	79,602,310	230,230,340
Total.....	\$376,058,235	\$702,469,817	\$324,316,083	\$62,984,823	\$1,339,859,312		\$927,496,316	\$2,267,355,628
1958-59 Unsecured - City and County Assessor....			267,120,112	4,380,414	262,739,698	7.37	544,305,649	807,045,347
Secured - City and County Assessor.....	355,052,835	638,301,790	8,886,359	60,964,309	941,276,675	7.55	2,776,669	944,053,344
Secured - State Board of Equalization.....	19,745,310	89,209,890	51,934,510	.....	160,889,710	7.55	26,553,800	187,423,510
Total.....	\$374,798,145	\$727,511,680	\$327,940,981	\$65,344,723	\$1,364,906,083		\$573,616,118	\$1,938,522,201
1959-60 Unsecured - City and County Assessor....			268,846,158	4,338,451	264,507,707	7.55	584,767,007	849,274,714
Secured - City and County Assessor.....	356,672,585	671,187,345	9,220,795	78,593,158	938,487,567	8.09	3,411,908	961,899,473
Secured - State Board of Equalization.....	17,312,710	96,042,410	55,103,810	.....	168,458,930	8.09	35,101,660	203,560,590
Total.....	\$373,985,295	\$767,229,755	\$333,170,763	\$82,931,609	\$1,391,454,204		\$623,280,575	\$2,014,734,779
1960-61 Unsecured - City and County Assessor....			278,295,567	4,047,039	274,248,528	8.09	577,974,366	852,222,894
Secured - City and County Assessor.....	356,844,505	703,194,575	9,371,080	78,425,219	990,984,941	8.48	2,540,506	993,525,447
Secured - State Board of Equalization.....	15,804,520	97,283,910	57,238,590	.....	170,327,020	8.48	43,998,810	214,325,830
Total.....	\$372,649,025	\$800,478,485	\$344,905,237	\$82,472,258	\$1,435,560,489		\$624,513,682	\$2,060,074,171
1961-62 Unsecured - City and County Assessor....			285,826,664	2,862,059	282,964,605	8.48	593,703,945	876,668,550
Secured - City and County Assessor.....	361,467,485	731,851,025	9,662,030	81,005,647	1,021,974,893	8.31	2,244,216	1,024,219,109
Secured - State Board of Equalization.....	15,798,860	106,973,570	60,516,980	.....	177,279,410	8.31	47,918,010	225,197,420
Total.....	\$377,256,345	\$832,824,595	\$356,005,674	\$83,867,706	\$1,482,218,908		\$643,866,171	\$2,126,085,079
1962-63 Unsecured - City and County Assessor....			298,913,074	2,706,066	296,207,008	8.31	628,939,481	925,146,489
Secured - City and County Assessor.....	365,279,560	764,204,820	9,637,171	82,453,740	1,056,667,811	9.39	1,968,151	1,058,635,962
Secured - State Board of Equalization.....	15,050,310	100,932,950	61,766,220	.....	177,749,480	9.39	50,343,100	228,092,580
Total.....	\$380,329,870	\$865,137,770	\$370,316,465	\$85,159,806	\$1,530,624,299		\$681,250,732	\$2,211,875,031
1963-64 Unsecured - City and County Assessor....			303,014,358	2,575,325	300,439,033	9.39	638,043,205	938,482,238
Secured - City and County Assessor.....	369,398,960	799,360,640	12,656,776	83,733,775	1,097,682,601	8.82	.....	1,097,682,601
Secured - State Board of Equalization.....	14,645,880	102,392,810	64,571,220	.....	181,609,910	8.82	43,774,690	225,384,600
Total.....	\$384,044,840	\$901,753,450	\$380,242,354	\$86,309,100	\$1,579,731,544		\$681,817,895	\$2,261,549,439
1964-65 Unsecured - City and County Assessor....			316,927,404	2,317,450	314,609,954	8.82	620,499,010	935,108,964
Secured - City and County Assessor.....	376,615,745	842,183,095	9,803,488	86,493,848	1,142,108,480	9.23	.....	1,142,108,480
Secured - State Board of Equalization.....	16,085,440	104,781,980	63,478,020	.....	184,345,440	9.23	26,133,530	210,478,970
Total.....	\$392,701,185	\$946,965,075	\$390,208,912	\$88,811,298	\$1,641,063,874		\$646,632,540	\$2,287,696,414
1965-66 Unsecured - City and County Assessor....			322,537,585	2,416,360	320,121,225	9.23	636,777,599	956,898,824
Secured - City and County Assessor.....	377,580,480	878,813,113	11,041,060	89,659,783	1,177,774,870	10.168	.....	1,177,774,870
Secured - State Board of Equalization.....	15,989,160	109,944,470	64,681,760	.....	190,615,390	10.168	64,332,440	254,947,830
Total.....	\$393,569,640	\$988,757,583	\$398,260,405	\$92,076,143	\$1,688,511,485		\$701,110,039	\$2,389,621,524

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1956-57 to 1965-66

	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
General Fund - Charter Limit \$1.65....	1.11849	1.243634	1.311502	1.342371	1.531469	1.235552	1.500078	1.161133	1.347489	1.329611
General Fund - Other Necessary Expenditures Not Limited	2.197722	2.202347	2.280775	2.508254	2.548892	2.932095	3.315633	2.913966	2.993933	3.415110
Unified School District.....	1.972106	2.043149	1.825645	2.006816	2.208749	2.162079	2.402535	2.566426	2.610678	2.784494
Recreation and Park .....	.386349	.380491	.446001	.440604	.537071	.530765	.541804	.469479	.497869	.533017
Library .....	.101886	.110176	.113349	.124220	.143518	.140442	.155509	.165724	.169163	.175977
Employees' Retirement .....	.942984	.993125	.959827	1.042061	.978457	.768904	.834029	.834734	.764044	.791113
Bond Interest and Redemption .....	.020527	.078257	.059917	.054911	.047361	.028633	.038034	.024391	.020224	.019400
de Young Museum .....	.031897	.024192	.027594	.035697	.024683	.031037	.034086	.033685	.033447	.037083
California Palace of the Legion of Honor .....	.018213	.018806	.018640	.021387	.021099	.019867	.022907	.022602	.021449	.023103
War Memorial .....	.021774	.022137	.022564	.029383	.018882	.017706	.020391	.021639	.026662	.025737
Publicity and Advertising.....	.020228	.019763	.019423	.021707	.020707	.....	.....	.....	.....	.....
Tax Judgments .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Child Care Centers .....	.015999	.019054	.014711	.018300	.024485	.008141	.016679	.025169	.023675	.039440
Bay Area Air Pollution Control Dist.....	.004128	.008536	.009394	.009397	.009426	.009189	.009224	.009173	.009130	.011565
Lighting Public Streets and Buildings.....	.104257	.079450	.084835	.079969	.083566	.089482	.078185	.136227	.103132	.122648
Airport .....	.004129	.....	.....	.....	.....	.....	.....	.....	.....	.000373
Special Election Fund .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.551329
Municipal Railway .....	.099352	.126883	.339123	.315923	.254635	.316108	.416906	.351652	.439105	.....
Total	7.06	7.37	7.533	8.051	8.463	8.29	9.386000	8.736000	9.060000	9.860000

S. F. Bay Area Rapid Transit District

.....017	.039	.017	.02	.004000	.084000	.170000	.308000
-------	-------	-------	------	------	------	-----	---------	---------	---------	---------

CITY AND COUNTY OF SAN FRANCISCO

PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING

%	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
110																	
93																	
81																	
77																	
66																	
55																	
44																	
33																	
22																	
11																	
0																	

CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES
Fiscal Years 1957-58 to 1964-65

Fiscal Year	Amount of Levy	Uncollected at June 30, Amount	%
1957-58	\$ 31,994,075	465,081	1.50
1958-59	33,337,812	446,132	1.32
1959-60	35,275,922	590,407	1.19
1960-61	35,162,785	567,339	1.04
1961-62	36,469,225	554,994	.97
1962-63	37,469,083	288,158	.76
1963-64	36,797,771	254,508	.69
1964-65	39,647,406	262,652	.66
1965-66	41,184,389	380,975	.93
1966-67	47,274,328	457,779	.97
1967-68	51,718,594	602,680	1.17
1968-69	60,779,270	669,631	1.10
1969-70	60,981,563	567,617	.93
1970-71	66,252,057	537,293	.81
1971-72	70,296,213	561,703	.80
1972-73	69,947,162	539,225	.77
1973-74	76,082,542	716,632	.94
1974-75	84,509,028	724,612	.86
1975-76	89,391,123	799,169	.89
1976-77	93,280,375	832,621	.89
1977-78	99,165,664	942,150	.95
1978-79	103,391,162	934,948	.96
1979-80	111,875,051	1,232,046	1.10
1980-81	121,671,012	1,332,620	1.10
1981-82	124,811,125	1,294,666	1.04
1982-83	141,781,663	1,287,530	.98
1983-84	145,255,147	1,842,177	1.29
1984-85	151,292,591	2,142,509	1.42

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

TAX YIELD

FISCAL YEAR 1965-66

	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE</u>
Taxes on Property Assessed by City & County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	\$1,256,393,593		
Tangible Personal Property	11,041,060		
	<u>1,267,434,653</u>		
Less Veterans & Welfare Exemptions	89,659,783		
Total	<u>\$1,177,774,870</u>	\$119,754,734.90	\$10.168
Unsecured Personal Property (Collected):			
Tangible Personal Property	\$ 49,491,243		
Less Veterans & Welfare Exemptions	<u>2,097,467</u>		
	<u>\$ 47,393,776</u>	\$ 4,374,586.20	9.23
Solvent Credits	<u>124,345,983</u>	<u>124,347.10</u>	.10
Total	<u>\$ 171,739,759</u>	<u>\$ 4,498,933.30</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	\$ 273,046,342		
Less Veterans & Welfare Exemptions	<u>318,893</u>		
	<u>\$ 272,727,449</u>	\$ 25,172,786.54	9.23
Solvent Credits	<u>512,431,616</u>	<u>512,433.92</u>	.10
Total	<u>\$ 785,159,065</u>	<u>\$ 25,685,220.46</u>	
Total Assessed by City and County Assessor	<u>\$2,134,673,694</u>	<u>\$149,938,888.66</u>	
Taxes on property Assessed by State Board of Equalization:			
Real Estate and Improvements	\$ 125,933,630		
Tangible Personal Property	64,681,760		
	<u>\$ 190,615,390</u>	\$ 19,381,772.64	\$10.168
Solvent Credits	<u>64,332,440</u>	<u>64,332.44</u>	.10
Total Assessed by State Board of Equalization	<u>\$ 254,947,830</u>	<u>19,446,105.08</u>	
Total of Above Assessments	<u>\$2,389,621,524</u>		
Total Tax Yield		<u>\$169,384,993.74</u>	

STATEMENT OF BONDING CAPACITY OF SAN FRANCISCO

AS AT JUNE 30, 1965

(Excluding Bonding Capacity of the S. F. Unified School District (1))

Maximum Limit:

12% of the 1965-66 Assessment Roll	(\$2,389,621,524)	\$286,754,583
------------------------------------	-------------------	---------------

Bonded Debt Unmatured June 30, 1965:

Total	\$ 211,689,000	
Exempt from 12% Limit (2)	<u>48,377,000</u>	<u>163,312,000</u>

<u>Limit of Future Bond Sales (Subject to 12% Limit)</u>	<u>\$123,442,583</u>
--	----------------------

Unissued Bonds June 30, 1965:

	Subject to 12% Limit	Exempt from 12% Limit	Total
1954 Sewers	\$ 355,000		
1955 Playgrounds & Recreation Centers	405,000		
1956 Hall of Justice	1,075,000		
1959 Civic Center Auditorium	225,000		
1960 Sewers	2,600,000		
1961 Municipal Water System		83,460,000	
1964 Sewerage and Sewage Disposal	15,623,000		
1964 Street Lighting	7,000,000		
1964 Log Cabin Ranch	1,300,000		
1964 School	31,465,000		
1964 Fire Department	<u>4,890,000</u>		
	<u>\$64,938,000</u>	<u>\$83,460,000</u>	<u>\$148,398,000</u>

- (1) The City and County of San Francisco is a municipal corporation known by name as San Francisco. It performs all functions of a City and County.

The San Francisco Unified School District is the only school district in San Francisco, with geographic boundaries coterminous with the boundaries of San Francisco. It performs all the functions of elementary, high school, and junior college districts.

The Education Code of the State of California, Section 21802, provides that any unified school district maintaining a junior college may issue bonds not to exceed 15 percent of the taxable property of the district as shown by the last equalized assessment roll. To date the School District has not sold any bonds. All items herein designated "School Bonds" are general obligation bonds of the City and County of San Francisco, for school purposes.

- (2) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:

- For water supply, storage or distribution purposes.
- For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (none issued)

ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS

BASED ON BONDED INDEBTEDNESS AT JUNE 30, 1965

General City, Including
S. P. Unified School District

Public Service Enterprises

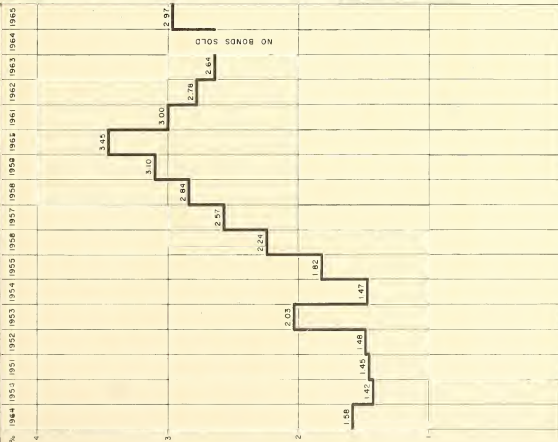
Fiscal Year	Grand Total	Bond			Bond		
		Total	Redemption	Interest	Total	Redemption	Interest
1965-66	\$ 30,599,074	\$ 17,609,210	\$ 15,156,000	\$ 2,453,210	\$ 12,989,864	\$ 9,523,000	\$ 3,466,864
1966-67	25,707,837	13,690,406	11,590,000	2,100,406	12,017,431	8,875,000	3,142,431
1967-68	26,760,937	13,079,013	11,275,000	1,804,013	12,981,924	10,140,000	2,841,924
1968-69	23,553,372	11,561,437	10,025,000	1,536,437	12,091,935	9,550,000	2,541,935
1969-70	22,243,453	10,602,838	9,320,000	1,282,838	11,440,615	9,190,000	2,250,615
1970-71	20,993,970	9,737,425	8,700,000	1,037,425	11,256,545	9,230,000	1,966,545
1971-72	18,080,275	8,373,900	7,575,000	798,900	9,706,375	8,005,000	1,701,375
1972-73	15,738,987	7,249,150	6,665,000	584,150	8,489,837	7,025,000	1,464,837
1973-74	13,120,637	5,354,862	4,950,000	404,862	7,765,775	6,505,000	1,260,775
1974-75	11,010,182	3,438,169	3,155,000	283,169	7,572,013	6,505,000	1,067,013
1975-76	10,082,731	2,835,344	2,645,000	190,344	7,247,387	6,375,000	872,387
1976-77	9,392,944	2,338,231	2,220,000	118,231	7,054,713	6,375,000	679,713
1977-78	6,999,725	985,738	930,000	55,738	6,013,987	5,525,000	488,987
1978-79	4,198,788	663,575	635,000	28,575	3,535,213	3,195,000	340,213
1979-80	3,875,437	644,525	635,000	9,525	3,230,912	2,985,000	245,912
1980-81	2,930,663				2,930,663	2,760,000	170,663
1981-82	2,119,850				2,119,850	2,010,000	109,850
1982-83	1,712,787				1,712,787	1,660,000	52,787
1983-84	366,300				366,300	360,000	6,300
1984-85	360,450				360,450	360,000	450
	<u>\$249,048,399</u>	<u>\$108,163,823</u>	<u>\$95,476,000</u>	<u>\$12,687,823</u>	<u>\$140,884,576</u>	<u>\$116,213,000</u>	<u>\$24,671,576</u>

Unsold Bonds at June 30, 1965 in the amount of \$148,398,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

ON BONDS SOLD DURING FISCAL YEARS ENDING

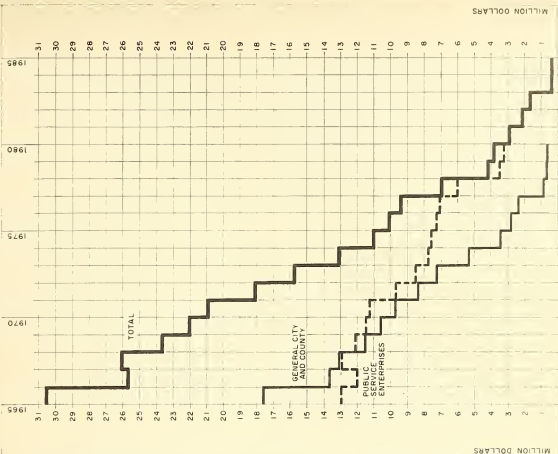


H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1956-57 to 1965-66

SOURCE OF REVENUES: General City Issues	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Taxes.....	\$ 931,400	\$ 898,700	\$ 866,000	\$ 777,300	\$ 700,600	\$ 477,400	\$ 554,316	\$ 426,300	\$ 345,000	\$ 330,210
Capital Improvement Fund	8,396,295	9,633,261	12,703,938	14,839,836	15,306,874	16,008,499	17,500,000	17,127,203	16,901,250	17,964,000
Surplus .....	.....	.....	.....	296,000	400,000	350,000	320,000	524,026	100,000	.....
	\$ 9,327,695	\$10,531,961	\$13,569,938	\$15,913,136	\$16,407,474	\$16,835,899	\$18,374,316	\$18,077,529	\$17,346,250	\$18,294,210
Public Service Enterprises:										
Utility Earnings:										
Water and Hetch Hetchy Project..	7,353,779	7,695,786	8,433,830	8,640,045	8,728,372	9,894,723	11,223,279	11,954,959	10,732,198	10,299,595
Municipal Railway.....	.....	.....	.....	774,554	.....	.....	.....	.....	.....	.....
Airport	1,196,939	1,946,788	2,311,853	2,316,684	1,719,208	2,856,470	3,070,956	3,486,266	3,404,552	3,246,519
Capital Improvement Fund (via Utility)2,992,167	1,826,756	1,932,160	1,932,160	894,204	1,638,978	1,252,559	.....	722,797	143,085	.....
Taxes (via Utility)	145,442	.....	.....	.....	.....	357,498	1,579,950	393,998	.....	.....
	\$11,688,327	\$11,469,330	\$12,677,843	\$12,625,487	\$12,086,558	\$14,361,250	\$15,874,185	\$16,558,020	\$14,279,815	\$13,546,114
Total Budgeted Requirements	\$21,016,022	\$22,001,291	\$26,247,781	\$28,538,623	\$28,494,032	\$31,197,149	\$34,248,501	\$34,635,549	\$31,626,065	\$31,840,324

Office of the Controller



REPORT ON EXAMINATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 1965

LYBRAND, ROSS BROS. & MONTGOMERY
CERTIFIED PUBLIC ACCOUNTANTS
ONE BUSH STREET
SAN FRANCISCO 4
YUkon 1-5333

OFFICES IN THE
PRINCIPAL CITIES OF THE
UNITED STATES

COOPERS & LYBRAND
IN AREAS OF THE WORLD
OUTSIDE THE UNITED STATES

The Honorable Board of Supervisors,
City and County of San Francisco,
San Francisco, California.

We have examined the following financial statements of
the CITY AND COUNTY OF SAN FRANCISCO for the year ended June 30,
1965:

Exhibit A - Combined General City and County Funds
balance sheet (exclusive of Public
Service Enterprises), June 30, 1965

Exhibit B - Comparative statement of current funds
revenues and expenditures (exclusive
of Public Service Enterprises) for
the years ended June 30, 1965 and 1964

Exhibit C - Statement of unappropriated balance of
current funds (exclusive of Public
Service Enterprises) for the year
ended June 30, 1965

Our examination, which was limited to the records main-
tained in the Office of the Controller, was made in accordance
with generally accepted auditing standards, and accordingly included
such tests of the accounting records and such other auditing pro-
cedures as we considered necessary in the circumstances.

Included as part of the statements of this report are
financial statements of the San Francisco Unified School District,
Employees' Retirement System, and the Treasurer's Office. The
financial statements of the School District were examined by other

certified public accountants. The financial statements of the Treasurer's Office were examined by the Controller's General Audit Division. Reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to these statements, is based solely upon such examinations. The financial statements of the Employees' Retirement System are being currently examined by other certified public accountants whose report thereon has not yet been released. Our opinion, as it relates to these statements, is subject to any adjustments which may arise upon completion of the examination referred to above.

In our opinion, based on the examinations described above, the accompanying financial statements, Exhibits A, B, and C, present fairly the financial position of the City and County of San Francisco (exclusive of Public Service Enterprises) at June 30, 1965, and revenue and expenditures of current funds for the year then ended, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Our examination was made primarily for the purpose of rendering an opinion on the basic financial statements, Exhibits A, B, and C, taken as a whole. The other data included in this report as Exhibits D, E, F, G, and H, inclusive, although not necessary for a fair presentation of financial position are presented primarily for supplemental analysis purposes. This additional information has been subjected to the audit procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The following financial statements of the Public Service Enterprises (except for the Public Utilities Commission which was unaudited) were examined by other certified public accountants.

Exhibit I - Public Service Enterprises, proprietary
balance sheet, June 30, 1965

Exhibit J - Public Service Enterprises, statement of
income and surplus for the year ended
June 30, 1965

The individual fund balance sheets of the Public Service Enterprises at June 30, 1965 as provided in Exhibit K were prepared by us from records maintained in the Controller's Office.

Hybrand, Rose Bros. & Montgomery

November 5, 1965

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED GENERAL CITY AND COUNTY FUNDS BALANCE SHEET
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
June 30, 1965

ASSETS:	Total	Current	Capital	Trust and Assessment
Plant, property, and equipment (Exhibit G)	\$ 587,061,277		\$587,061,277	
Cash:				
On deposit with treasurer	108,263,108	\$ 70,334,942	15,517,515	\$ 22,410,651
Revolving funds	73,605	73,605		
Total cash	<u>108,336,713</u>	<u>70,408,547</u>	<u>15,517,515</u>	<u>22,410,651</u>
Accounts receivable:				
Taxes receivable:	2,142,509	2,142,509		
current year	3,598,785	3,598,785		
Taxes receivable, prior years	494,213	494,213		
Penalties, costs, and interest	270,919	270,919		
Franchise taxes	5,616,627	5,616,627		
Federal and state subventions	14,779,435	14,779,435		
Other accounts receivable	<u>30,399,230</u>	<u>26,862,488</u>		<u>3,536,742</u>
Less, reserves:				
Unsecured delinquent taxes and penalties	3,960,731	3,960,731		
Other accounts receivable	<u>3,297,526</u>	<u>3,297,526</u>		
Total accounts receivable - net	<u>7,258,257</u>	<u>7,258,257</u>		
Unsold bonds	23,140,973	19,604,231		3,536,742
Interfund accounts receivable:	64,938,000		64,938,000	
Due from General City and County (contra)	45,943,200	40,165,129	2,025,168	3,752,903
Due from Public Service Enterprises	<u>1,796,290</u>	<u>697,256</u>		<u>1,099,034</u>
Total interfund accounts receivable	<u>47,739,490</u>	<u>40,862,385</u>	<u>2,025,168</u>	<u>4,851,937</u>
Investments	335,529,390			335,529,390
Lease deposits and guarantees	<u>160,675</u>			<u>160,675</u>
Deferred charges:				
Materials and supplies	756,371	756,371		
Amounts to be provided for payment of				
bond principal	95,476,000		95,476,000	
Amounts to be provided for loan repayments	<u>1,381,663</u>	<u>1,381,663</u>		<u>57,429</u>
Other deferred charges	57,429			
Total deferred charges	<u>97,671,463</u>	<u>2,138,034</u>	<u>95,476,000</u>	<u>57,429</u>
	\$1,264,577,981	\$133,013,197	\$765,017,960	\$366,546,824

The accompanying notes are an integral
part of the financial statements.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED GENERAL CITY AND COUNTY FUNDS BALANCE SHEET
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
June 30, 1965

LIABILITIES:	Total	Current	Capital	Trust and Assessment
Bonded debt (Exhibit H):				
Maturing within one year	\$ 15,156,000		\$ 15,156,000	
Maturing subsequent to June 30, 1966	80,320,000		80,320,000	
Total bonded debt	95,476,000		95,476,000	
Loan, accounts payable and commitments:				
Long-term loan payable	1,381,663	\$ 1,381,663		
Accounts payable	9,736,199	8,990,860		\$ 745,339
Outstanding warrants and payroll deductions	4,897,074	1,599,273	235,498	3,062,303
Encumbrances	19,298,911	9,903,335	4,794,652	5,300,924
Total payables and commitments	36,013,847	21,875,131	5,030,150	9,108,566
Interfund accounts payable:				
Due to General City and County (contra)	45,943,200	37,016,379	8,266,544	660,277
Due to Public Service Enterprises	220,710	193,879	26,831	
Total interfund accounts payable	46,163,910	37,210,258	8,293,375	660,277
Deferred credits:				
Personal property taxes collected for year 1965-66	3,496,780	3,496,780		
Subventions received in advance	4,055,112	4,055,112		
Unencumbered interdepartmental work order authorizations	2,219,842	2,219,842		
Other deferred credits	3,128,691	2,915,434		213,257
Total deferred credits	12,900,425	12,687,168		213,257
Reserves:				
Reserve for materials and supplies	756,372	756,372		
Reserve for interdepartmental overhead	1,104,873	1,104,873		
Other reserves	1,248,985	1,088,310		160,675
Total reserves	3,110,230	2,949,555		160,675
Unencumbered appropriations	94,874,913	27,540,851	67,334,062	
Investment in plant, property, and equipment	587,061,277		587,061,277	
Trust and assessment fund balances	356,404,049			356,404,049
Unappropriated balance of funds	32,573,330	30,750,234	1,823,096	
	<u>\$1,264,577,981</u>	<u>\$133,013,197</u>	<u>\$765,017,960</u>	<u>\$366,546,824</u>

The accompanying notes are an integral part of the financial statements.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT B
Page 1

COMPARATIVE STATEMENT OF CURRENT FUNDS
REVENUES AND EXPENDITURES
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
For the years ended June 30, 1965 and 1964

	<u>1965</u>	<u>1964</u>
Revenues:		
Property taxes, penalties, interest, and costs	\$148,694,077	\$140,936,654
Federal and state subventions	84,700,189	75,154,368
Retail sales and purchase use tax	18,963,993	18,395,445
Departmental service charges, etc.	20,211,055	18,718,942
Fines, forfeitures, and penalties other than from property taxes	4,289,281	3,980,099
Bank interest	4,569,887	4,565,593
Licenses	1,052,503	1,012,830
Hotel room tax	1,477,198	1,271,247
Rentals from use of property	523,086	473,147
Franchise taxes	508,720	489,364
Revenue from other sources	<u>534,591</u>	<u>501,900</u>
Total revenues	<u>285,524,580</u>	<u>265,499,589</u>
Expenditures:		
Departmental operating expenses:		
General government	19,357,669	18,467,316
Public safety	37,607,963	35,409,630
Highways	4,984,128	4,069,001
Sanitation	5,582,102	5,701,714
Health conservation	4,747,523	4,570,549
Hospitals	14,010,384	12,943,940
Public welfare	61,690,163	53,262,721
Corrections	4,170,153	3,920,223
Schools	64,051,550	59,467,135
Libraries	2,164,271	1,954,228
Recreation	10,412,020	9,884,510
Civil defense	175,951	120,013
Miscellaneous	<u>248,734</u>	<u>124,522</u>
Total departmental operating expenses	<u>229,202,611</u>	<u>209,895,502</u>

COMPARATIVE STATEMENT OF CURRENT FUNDS
REVENUES AND EXPENDITURES
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
For the years ended June 30, 1965 and 1964

	<u>1965</u>	<u>1964</u>
Expenditures (Continued):		
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenue	\$ 11,749,390	\$ 7,455,434
Less, transfer from capital funds	<u>482,103</u>	<u> </u>
Net capital additions from revenue	11,267,287	7,455,434
Bond redemption	14,652,000	15,037,000
Bond fund	117,500	
Bond interest	2,617,496	2,837,060
Transfer to trust account as contribution for reconstruction of Palace of Fine Arts	850,000	
Pension costs, Employees' Retirement System	14,566,478	14,746,648
Contributions to Municipal Railway	7,359,122	6,991,929
Contribution to Federal Social Security	1,774,796	1,663,718
Contribution to Health Service System	<u>1,679,917</u>	<u>1,577,255</u>
Total other expenditures	<u>54,884,596</u>	<u>50,309,044</u>
Total expenditures	<u>284,087,207</u>	<u>260,204,546</u>
Excess of revenues over expenditures	\$ <u>1,437,373</u>	\$ <u>5,295,043</u>

The accompanying notes are an integral part of the financial statements.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT C

STATEMENT OF UNAPPROPRIATED BALANCE OF CURRENT FUNDS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
For the year ended June 30, 1965

Unappropriated balance of funds, June 30, 1964:		
Available	\$13,232,430	
Cash reserve	<u>14,172,545</u>	\$27,404,975
Add:		
Excess of revenues over expenditures (Exhibit B)	1,437,373	
Reserves transferred to unappropriated balance of funds	107,176	
Increase in interfund budgetary balances	1,640,626	
Increase in unencumbered balance of appropriations	125,045	
Miscellaneous	<u>35,039</u>	
		<u>3,345,259</u>
Unappropriated balance of funds, June 30, 1965:		
Available	16,577,689	
Cash reserve	<u>14,172,545</u>	
		<u>\$30,750,234</u>

The accompanying notes are an integral
part of the financial statements.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
June 30, 1965

Note 1. Plant, Property, and Equipment:

The total of General City and School District plant, property, and equipment, aggregating \$587,061,277 at June 30, 1965, represents, generally, the accumulated cost of investment in such assets. No detailed records are maintained supporting equipment accounts, except for the School District, nor are equipment accounts usually relieved of the cost of equipment retired.

A substantial but undetermined number of interdepartmental work orders in progress, aggregating \$6,161,663 at June 30, 1965, may be applicable to fixed assets but are not charged thereto until completion of the several jobs.

Note 2. Contingent Liabilities:

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The latest available financial statements of the District reflect net income sufficient to meet its operating expenses, and bond interest and redemption requirements.

The City and County of San Francisco is contingently liable for its pro rata share of the bond interest and redemption requirements of the San Francisco Bay Area Rapid Transit District on the basis of the assessed valuation of the taxable property of the City and County lying within the District. The bonded debt of the District shall not exceed 15% of the assessed valuation of taxable property within its bounds.

According to the City Attorney there were damage suits pending against the City and County of San Francisco as of June 30, 1965 aggregating approximately \$25,390,450. As of the same date the School District's contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of \$175,000. No reserve has been provided for the above amounts.

NOTES TO FINANCIAL STATEMENTS, Continued

Note 2. Contingent Liabilities (Continued):

It is the practice of the Retirement System to have an actuarial estimate made from time to time of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$51,631,560 at June 30, 1963, the date of the most recent estimate.

At June 30, 1964 the Retirement System estimated the reserve requirements for compensation claims pending under the workmen's compensation laws of the State of California to be \$3,200,000. This amount is subject to adjustment upon completion of revised estimates for the year ended June 30, 1965.

Note 3. Reference Note:

Reference is made herein to other contingent liabilities and other notes which accompany the financial statements submitted by other certified public accountants and included in the Annual Report of the Controller.

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Interfund Accounts Receivable</u>	<u>Deferred Charges</u>	<u>Total</u>
\$ 7,198,052	\$ 8,528,889	\$25,245,482	\$ 142,195	\$ 39,114,498
4,810,848	5,000	643,111	26,114	5,286,894
861,966	60,450			524,422
210,842				210,842
65,898				65,898
162,772				162,772
295,972				295,972
44,894				44,894
8,349,865	272,652	608,087		9,260,604
9,441,421	2,604,950	187,104	516,187	12,749,668
952,351	377,952			1,330,289
166,989	73,346	2,519	71,875	834,649
102,348	7,640	68,600		258,406
11,415,811	2,424,671	441,744		16,282,226
	204,252			204,252
568,645	29,605	3,171,250		3,796,700
813,033	118,337		1,381,663	2,013,033
7,700,194	1,382,842	10,390,798		19,474,036
4,287,049				1,497,649
4,112,228	4,662,075			5,774,303
	271,298			271,298
(167,930)				(167,930)
(171,332)				(171,332)
(103,236)				(103,236)
2,077,762	200,000			2,277,762
5,810,700				5,310,700
	30,386			30,386
2,007,493				2,007,493
361,431		97,224		458,655
12,840	350,000	6,466		369,306
1,245				1,245
49,931				49,931
3,496,780				3,496,780
132				132
<u>\$76,886,541</u>	<u>\$19,804,211</u>	<u>\$40,862,385</u>	<u>\$2,138,034</u>	<u>\$133,013,197</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS
June 30, 1965

EXHIBIT D

	Total	Loan, Accounts Payable and Commitments	Interfund Accounts Payable	Deferred Credits	Reserves	Unencumbered Appropriations	Unappropriated
General fund	\$ 39,114,498	\$13,426,504	\$ 9,798,910	\$ 3,274,470	\$1,654,226	\$ 5,180,814	\$ 5,779,574
Recreation and park	5,286,894	326,265	2,873,097	73,444	37,730	1,867,400	108,958
Library	524,422	235,128	191,979	60,456	2,023	34,836	
War Memorial	210,842	14,638	174,018			22,186	
California Palace of the Legion of Honor	65,898	24,702	34,121		1,000	6,075	
de Young Museum	162,772	50,503	80,937		1,000	30,332	
Publicity and advertising	295,972	284,808	9,636			1,528	
Special election	44,894					44,894	
Road	9,260,604	291,507	1,886,516	431		4,063,259	3,018,891
San Francisco Unified School District	12,749,668	4,885,971	1,946,613	1,257,527	936,512	80,371	3,642,674
San Francisco Unified School District Reserve Fund	1,330,289	137,350	361,341	414,186		416,770	642
School cafeteria	834,649	79,823	100,993	12	75,875	21,442	556,504
Child care centers	258,406	51,282	46,089			66,424	94,611
Special gas tax street improvement	16,282,226	120,688	904,980			12,385,968	2,870,590
Employees' retirement - current	204,252		204,252				
Bond interest and redemption	3,796,700	40,289	3,500,396		241,189	10,163	4,663
Marina Yacht Harbor	2,013,033	1,381,663	513,033			118,337	
Cash reserve	19,474,036		5,301,491				14,172,545
Emergency reserve	1,497,649					1,497,649	
Capital improvement	5,774,303		4,919,893			18,529	835,881
Alcoholic beverage license subsidy	271,298		271,298				
Auditorium	(167,930)						(167,930)
Firemen's relief and pension	(171,332)						(171,332)
Police relief and pension	(103,236)						(103,236)
Medical care trust	2,277,762	8,783	691,447	1,577,532			
Welfare assistance and administration	5,310,700		2,833,120	2,477,580			
San Francisco Bay Area Rapid Transit District	30,386		30,386				
Off-street parking	2,007,493	73,334	159,908			1,671,887	102,364
Heat, light, and power	458,655	441,893	6,498	3,442		1,987	4,835
Hotel room tax	369,306		369,306				
Unapportioned funds:							
Tax collector's taxes	1,245			1,245			
Delinquent tax installments	49,931			49,931			
Assessor's personal property taxes	3,496,780			3,496,780			
Redemption of property	132			132			
	<u>\$133,013,197</u>	<u>\$21,875,131</u>	<u>\$37,210,258</u>	<u>\$12,687,168</u>	<u>\$2,949,555</u>	<u>\$27,540,851</u>	<u>\$30,750,234</u>

<u>Cash</u>	<u>Unsold Bonds</u>	<u>Interfund Accounts Receivable</u>	Amounts To Be Provided for Payment of Bond <u>Principal</u>	<u>Total</u>
\$ 451,438			\$ 600,000	\$ 600,000
				451,438
1,943				1,943
602,123		\$ 400,000	4,318,000	5,320,123
86,398			2,568,000	2,654,398
161,959			2,240,000	2,401,959
45,026			10,180,000	10,225,026
10,893			980,000	990,893
55,234			2,225,000	2,280,234
481,422	\$ 355,000	300,000	7,515,000	8,651,422
211,039			3,290,000	3,501,039
4,300			2,850,000	2,854,300
8,383			2,655,000	2,655,000
			1,515,000	1,523,383
794,119	405,000		4,365,000	5,564,119
22,358	1,075,000		10,745,000	11,842,358
1,239,823		168	18,495,000	19,734,991
12,568			1,090,000	1,102,568
361,498	225,000		5,880,000	6,466,498
226,901			1,800,000	2,026,901
1,686,657			2,365,000	4,051,657
4,804,753	2,600,000	1,325,000	8,910,000	17,639,753
29,420			890,000	919,420
100,000	7,000,000			7,100,000
300,000	15,623,000			15,923,000
2,499,170	31,465,000			33,964,170
400,000	4,890,000			5,290,000
100,000	1,300,000			1,400,000
621,568				621,568
<u>198,522</u>				<u>198,522</u>
<u>\$15,517,515</u>	<u>\$64,938,000</u>	<u>\$2,025,168</u>	<u>\$95,476,000</u>	<u>\$177,956,683</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS
June 30, 1965

	<u>Total</u>	<u>Bonded Debt</u>	<u>Accounts Payable and Commitments</u>	<u>Interfund Accounts Payable</u>	<u>Fund Balances</u>	
					<u>Unencumbered Appropriations</u>	<u>Unappropriated</u>
Bond Funds:						
1923 School	\$ 600,000	\$ 600,000				
1944 Sewer	451,438		\$ 3,352		\$ 381,111	\$ 66,975
1944 Juvenile Home and Court and 1948 Juvenile Court and Detention Home	1,943				1,943	
1947 Street Improvement	5,320,123	4,318,000	151	\$ 136,950	475,344	389,678
1947 Recreation	2,654,398	2,568,000		77,000	9,398	
1947 Off-Street Parking	2,401,959	2,240,000				161,959
1948 School	10,225,026	10,180,000		4,766		40,260
1948 Sewage Treatment	990,893	980,000	135		10,592	166
1952 Firehouse	2,280,234	2,225,000			55,040	194
1954 Sewer	8,651,422	7,515,000	4,682	228,626	868,733	34,381
1954 San Francisco Hospital	3,501,039	3,290,000		207,497	3,542	
1954 Laguna Honda Home and Hospital	2,854,300	2,850,000		3,472	828	
1954 Recreation Center	2,655,000	2,655,000				
1954 Exhibit Hall	1,523,383	1,515,000				8,383
1955 Playgrounds and Recreation Centers	5,564,119	4,365,000	293,117	408,300	497,702	
1956 Hall of Justice	11,842,358	10,745,000		326,831	21,619	748,908
1956 School	19,734,991	18,495,000	501,583	333,504	401,701	3,203
1958 Recreation and Park (Steinhart Aquarium)	1,102,568	1,090,000			12,568	
1959 Civic Center Auditorium	6,466,498	5,880,000	242,548	314,888	29,062	
1959 Palace of Fine Arts	2,026,901	1,800,000			226,901	
1960 de Young Museum	4,051,657	2,365,000	1,322,246	34,000	330,411	
1960 Sewer	17,639,753	8,910,000	932,772	2,441,758	5,354,523	700
1961 Fort Funston	919,420	890,000			29,420	
1964 Street Lighting	7,100,000			100,000	7,000,000	
1964 Sewerage and Sewage Disposal	15,923,000			320,000	15,603,000	
1964 School	33,964,170		1,611,761	2,565,950	29,786,459	
1964 Fire Department	5,290,000			402,400	4,887,600	
1964 Log Cabin Ranch	1,400,000		20,350	127,150	1,252,500	
Real Property Funds:						
General City	621,568			248,283	44,214	329,071
San Francisco Unified School District	198,522		97,453	12,000	49,851	39,218
	<u>\$177,956,683</u>	<u>\$95,476,000</u>	<u>\$5,030,150</u>	<u>\$8,293,375</u>	<u>\$67,334,062</u>	<u>\$1,823,096</u>

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Investments</u>	<u>Interfund Accounts Receivable</u>	<u>Deferred Charges and Deposits</u>	<u>Total</u>
\$ 7,710,850	\$3,468,778	\$335,090,636	\$1,604,413		\$347,874,677
451		94			545
11,514					11,514
793					793
302					302
5,130		49,340			54,470
218,444	1,455	115,250			335,149
305,032					305,032
77,722					77,722
6,323	115	8,379			14,817
1,018		2,000			3,018
7,000					7,000
7,753	45	2,073			9,871
8,249					8,249
10,957		65,492			76,449
299	15	993			1,307
7,553					7,553
3,047	194	40,000			43,241
9,150		25,402			34,552
135					135
144					144
517					517
75,896					75,896
297	70	4,997			5,364
121,552		94,140			215,692
305					305
1,622	225	15,009			16,856
5					5
3,635					3,635
1,500					1,500
53,121					53,121
51,452	50,104				101,556
5					5
4,269					4,269
1,623,773			268,078		1,891,851
35					35
22,503					22,503
5,028					5,028
6,153					6,153

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS
June 30, 1965

EXHIBIT F
Page 1

	<u>Total</u>	<u>Accounts Payable and Commitments</u>	<u>Interfund Accounts Payable</u>	<u>Deferred Credits</u>	<u>Reserves</u>	<u>Fund Balances</u>
Retirement and Other Public Trust Funds:						
Employees' Retirement System	\$347,874,677	\$2,365,426	\$381,948			\$345,127,300
Bequests:						
Brunetti	545					545
Condon	11,514					11,514
Fallon	793					793
Past	302					256
Fuhrman Bequest - Joint	54,470					54,470
Fuhrman Bequest - Library	335,149	1,538				333,611
Fuhrman Bequest - Park	305,032		3,900			301,132
Heller	77,722	286				77,436
Herzstein	14,817					14,817
Lewis	3,018					3,018
Magnani Bequest	7,000					7,000
Marx	9,871					9,871
McLean	8,249		3,000			5,249
Nell V. O'Connell Fund	76,449	1,351				75,098
Olsen	1,307					1,307
Raymond Bequest	7,553					7,553
Robinson	43,241	340				42,901
Salinger	34,552	2,500				32,052
Sneide	135					135
Steinberg	144	21				123
Stoy	517					517
Strybing	75,896		7,000			68,896
Sutro	5,364					5,364
Waden	215,692					215,692
Wilbert	305					305
Windell	16,856	12				16,844
Arabic Book Fund	5					5
Board of Trustees - Legion of Honor	3,635					3,635
Booth Memorial Scholarship	1,500					1,500
Candlestick Park Trust	53,121		50,000			3,121
Community Renewal Program	101,556	93,150	1,566			6,840
de Young Museum Art Trust	5					5
Giants Baseball Program	4,269					4,269
Health Service	1,891,851	404,935	17,879	\$182,871		1,286,166
Infantile Paralysis	35					35
Walter S. Johnson Gift Fund	22,503					22,503
Laguna Honda Home - Gift Fund	5,028					5,028
Laguna Honda Workshop	6,153	269				5,884

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Investments</u>	<u>Interfund Accounts Receivable</u>	<u>Deferred Charges and Deposits</u>	<u>Total</u>
\$ 402				\$ 402	
202				202	
123				123	
6,492				6,492	
33,023				33,023	
57				57	
		\$ 15,585		15,585	
1,926	\$ 110			2,036	
5,524,929				5,524,929	
322				322	
291				291	
1,145				1,145	
110				110	
165				165	
1,886				1,886	
8,710	12,626			21,336	
3,848				3,848	
2,159				2,159	
<u>55</u>				<u>55</u>	
<u>15,949,379</u>	<u>3,533,737</u>	<u>335,529,390</u>	<u>\$1,872,491</u>	<u>356,884,997</u>	
498				498	
31,440				31,440	
126,537				126,537	
34,327				34,327	
2,269				2,269	
14,774				14,774	
1,000				1,000	
409,339				409,339	
60				60	
96,944				96,944	
1,523				1,523	
4,187			1,256	5,443	
28,720			52,099	80,819	
267			29	296	

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS
June 30, 1965

EXHIBIT F
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	<u>Total</u>	<u>Accounts Payable and Commitments</u>	<u>Interfund Accounts Payable</u>	<u>Deferred Credits</u>	<u>Reserves</u>	<u>Fund Balances</u>
Retirement and Other Public Trust Funds (Continued):						
Library Gift Fund	\$ 402					\$ 402
Litter Control	202					202
Log Cabin Ranch Welfare	123					123
George Wilson Meyer Collections	6,492	\$ 32				6,460
Miranda Lux Foundation	33,023	1,674				31,349
Musicians Club of San Francisco	57					57
P.P.I.E. Trust	15,585					15,585
P.P.I.E. Scholarship Interest	2,036					2,036
Palace of Fine Arts	5,524,929	5,423,173	\$ 56,800			44,956
Police Range	322					322
Recreation and Park Gift Fund	291					291
San Francisco Hospital - Children's Ward	1,145					1,145
Social Service	110					110
Special Anecdotal Book Fund	165					165
Levi Strauss Foundation	1,886					1,886
State Highway	21,336		19,424			1,912
Storyland Fund	3,848	1,205				2,643
Tuberculosis Trust	2,159					2,159
Veterans' Education School	55					55
Total Retirement and Other Public Trust Funds	<u>356,884,997</u>	<u>8,295,958</u>	<u>541,517</u>	<u>\$182,871</u>		<u>347,864,651</u>
Private Trust Funds:						
Absent Creditors	498					498
Absent Heirs	31,440					31,440
Adult Probation Officers' Deposit Account	126,537	23,528				103,009
Adult Probation Officers' Clearing Account	34,327	31,018				3,309
California Palace of the Legion of Honor	2,269					2,269
Coroner's Unclaimed Money	14,774					14,774
County Clerk Bail	1,000					1,000
County Clerk Special	409,339	44,873				364,466
de Young Museum	60	8				52
Duplicate Taxes	96,944	779	119			96,046
Electrical Deposits	1,523					1,523
F.I.C.A. Taxes:						
Bay Area Air Pollution Control District	5,443					5,443
Municipal Railway	80,819	69				80,750
Parking Authority	296	256				40

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Investments</u>	<u>Interfund Accounts Receivable</u>	<u>Deferred Charges and Deposits</u>	<u>Total</u>
\$ 28,378					\$ 28,378
19,053					19,053
1,855					1,855
62,600					62,600
398,637					398,637
633,249			\$ 166,755		800,004
974					974
523,450					523,450
458,234					458,234
305,937					305,937
10,935					10,935
120					120
465					465
2,167					2,167
10,148	\$ 332				10,480
18,778	9				18,787
102,825			756,359		859,184
46,074			61,947		108,021
326,818			1,071,457		1,398,275
99,482			192,532		292,014
570,851			597,547		1,168,398
<u>4,372,915</u>	<u>341</u>		<u>2,899,981</u>		<u>7,273,237</u>
1,302					1,302
4,233					4,233
938					938
3,623					3,623
142					142
64					64
461					461
<u>1,580</u>					<u>1,580</u>
<u>12,343</u>					<u>12,343</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS
June 30, 1965

EXHIBIT F
Page 1

	<u>Total</u>	<u>Accounts Payable and Commitments</u>	<u>Interfund Accounts Payable</u>	<u>Deferred Credits</u>	<u>Reserves</u>	<u>Fund Balances</u>
Private Trust Funds (Continued):						
Jail Stores Deposits	\$ 28,378	\$ 1,027				\$ 27,351
Juvenile Court Deposits	19,053	953				18,100
Library Card Deposits	1,855					1,855
Municipal Court Bail	62,600					62,600
Municipal Court Special	398,637	18,942				379,695
Old Age Security and Disability Insurance	800,004	712				799,292
Police Department Deposits	974					974
Realty Deposits	523,450	225,300				298,150
Refundable Deposits, Department of						
Public Works	458,234	13,454				444,780
Sheriff's Trust	305,937	73,671				232,266
Sheriff's Inmate Welfare Fund	10,935	1,038				9,897
Special Badge	120					120
Street Improvement	465					465
Street Improvement - Ordinance 1934	2,167					2,167
Sunset Tunnel Assessment Refund	10,480					10,480
Twin Peaks Tunnel Refund	18,787					18,787
Voluntary Payroll Deductions	859,184	69,672				789,512
War Bonds	108,021	24,123				83,898
Withholding tax:						
General	1,398,275	5				1,398,270
Municipal Railway	292,014					292,014
San Francisco Unified School District	<u>1,168,398</u>	<u>47</u>				<u>1,168,351</u>
Total Private Trust Funds	<u>7,273,237</u>	<u>529,475</u>	<u>119</u>			<u>6,743,641</u>
Assessment and Redemption Funds:						
Circular Avenue Assessment	1,302					1,302
Circular Avenue Redemptions	4,233					4,233
City Lands Assessment	938					938
City Lands Redemption	3,623					3,623
Oakwood Street Assessments	142					142
Saturn Street Redemptions	64					64
Virginia Avenue Assessments	461					461
Virginia Avenue Redemptions	<u>1,580</u>					<u>1,580</u>
Total Assessment and Redemption Funds	<u>12,343</u>					<u>12,343</u>

<u>DATE</u>	<u>Accounts Receivable</u>	<u>Investments</u>	<u>Interfund Accounts Receivable</u>	<u>Deferred Charges and Deposits</u>	<u>Total</u>
\$ 100,802	\$ 2,664			\$	303,466
32,441			\$ 30,386		63,247
25,282					22,282
18,373				\$ 35,000	54,323
50,530					50,530
291,726					251,726
79,421			6,022		85,443
5,219					9,819
54,401					54,401
38,780					38,780
2,619					2,619
527					527
97,206				22,429	119,635
21,067					27,067
8,099					8,099
1,016,531					1,016,531
302					302
14,231					14,231
3,784					3,784
21,420			21,344		42,764
24,283			21,713		45,996
<u>2,026,014</u>	<u>2,664</u>		<u>79,465</u>	<u>57,429</u>	<u>2,215,572</u>
				<u>160,675</u>	<u>160,675</u>
<u>\$22,510,651</u>	<u>\$2,536,742</u>	<u>\$335,529,390</u>	<u>\$4,851,937</u>	<u>\$218,104</u>	<u>\$366,546,824</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS
June 30, 1965

	<u>Total</u>	<u>Accounts Payable and Commitments</u>	<u>Interfund Accounts Payable</u>	<u>Deferred Credits</u>	<u>Reserves</u>	<u>Fund Balance</u>
Agency Funds:						
Bay Area Air Pollution Control						
District Funds	\$ 303,466	\$ 47,004	\$ 7,703			\$ 248,759
Bay Area Rapid Transit District	63,247		1,364	\$ 30,386		31,497
Economic Opportunity Council	22,282	11,289				10,993
Hunters Point Reclamation District	54,323		35,000			19,323
Redevelopment Agency:						
Lower Market and Embarcadero Trustee	50,530					50,530
Project Expenditure Funds	251,726	159,476	31,700			60,550
Revolving Fund	85,443	38,892	6,122			40,429
Temporary Loan Funds	9,819					9,819
Survey and Planning Funds	54,401	5,900	4,700			43,801
General Neighborhood Renewal Plan	38,780					38,780
State of California:						
Consumers' Use Tax	2,619					2,619
County Clerk	527	104				423
County Fair	119,635	20,420	32,052			67,163
Fines and Forfeitures	27,067					27,067
General Agency	8,099					8,099
Inheritance Taxes	1,016,531					1,016,531
Inheritance Tax Refunds	302					302
Law Library	14,231					14,231
Sales Tax	3,784					3,784
State Teachers' Retirement Plan	42,764					42,764
Teachers' Annuity Deposit	45,996	48				45,948
Total Agency Funds	<u>2,215,572</u>	<u>283,133</u>	<u>118,641</u>	<u>30,386</u>		<u>1,783,412</u>
Lease Deposits and Guarantees	<u>160,675</u>				\$160,675	
Total Individual Fund Balance						
Sheets - Trust and Assessment						
Funds	<u>\$366,546,824</u>	<u>\$9,108,566</u>	<u>\$660,277</u>	<u>\$213,257</u>	<u>\$160,675</u>	<u>\$356,404,049</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
SUMMARY OF PROPERTIES
June 30, 1965

EXHIBIT G

	<u>Total</u>	<u>Land</u>	<u>Structures and Improvements</u>	<u>Equipment</u>
Current year's additions, net:				
General government:				
Civic Center, including City Hall	\$ 651,391	\$ (77,387)	\$ 437,002	\$ 291,776
Public safety:				
Fire Department	197,024	(54,892)	(9,244)	261,160
Police Department	511,900	291	82,351	429,258
Department of Electricity	163,385		131,914	31,471
Highways:				
Streets, tunnels, bridges, etc.	4,297,628	869,070	3,369,470	59,088
Off-street parking	351,343	235,450	115,893	
Sanitation:				
Sewers and sewer disposal plants	4,171,157	60	4,130,953	40,144
Street Cleaning Department	36,593			36,593
Health conservation:				
Hassler Health Home	45,932		22,790	23,142
Civic Center Health Building	60,735		18,441	42,294
Other	453,325	83,499	369,826	
Hospitals:				
San Francisco Hospital	539,603		346,045	193,558
Emergency hospitals	3,343			3,343
Public welfare:				
Laguna Honda Home	107,732		61,629	46,103
San Francisco Welfare Department	240,550		187,242	53,308
Corrections:				
County Jails	5,585			5,585
Youth Guidance Center	36,910		24,612	12,298
Juvenile Log Cabin Ranch	161,128		160,605	523
Schools	2,235,540	5,812	1,503,590	726,138
Libraries	586,524	24,997	24,749	536,778
Recreation:				
Parks and playgrounds	4,502,940	410,804	4,056,804	35,332
Museums, art galleries, etc.	1,133,294		1,122,034	11,260
War Memorial and Opera House	28,299		10,700	17,599
Auditorium and Exhibit Hall	1,416,938		1,179,341	237,597
Kezar Stadium	8,108		8,108	
Golf links	2,008		2,008	
Other	118,827	78,125	3,689	37,013
	<u>22,067,742</u>	<u>1,575,829</u>	<u>17,360,552</u>	<u>3,131,361</u>
Prior years' additions	<u>564,993,535</u>	<u>84,908,178</u>	<u>432,997,231</u>	<u>47,088,126</u>
	<u>\$587,061,277</u>	<u>\$86,484,007</u>	<u>\$450,357,783</u>	<u>\$50,219,487</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
BONDED INDEBTEDNESS
June 30, 1965

EXHIBIT H
Page 1

	<u>Date of Issue</u>	<u>Interest Rate Percent</u>	
General City and County:			
Schools:			
1923 School	3/1/23	5	\$ 600,000
1948 School:			
Series B	4/1/51	1-3/4	770,000
Series C	3/1/52	1-1/2	1,780,000
Series D	12/1/52	1-3/4	3,360,000
Series E	8/1/53	2-1/2	1,280,000
Series F	3/1/54	1-1/2 and 1-3/4	800,000
Series G	4/1/55	1-3/4	1,720,000
Series H	4/1/57	2-1/2	470,000
1956 School:			
Series A	11/1/57	3	3,200,000
Series B	12/1/58	2-3/4 and 3	2,225,000
Series C	6/1/59	3-1/4	540,000
Series D	2/1/60	3-1/4 and 3-1/2	3,125,000
Series E	10/1/60	2-1/4 to 3	3,660,000
Series F	7/1/61	2-1/2 to 3-1/4	1,990,000
Series G	3/1/62	2-1/4 to 3	1,680,000
Series H	9/1/64	2-1/2 to 5	<u>2,075,000</u>
			<u>29,275,000</u>
Boulevards and Roads:			
1947 Street Improvement:			
Series D	9/1/50	1-1/4	58,000
Series E	3/1/52	1-1/2	400,000
Series F	12/1/52	1-3/4	340,000
Series H	1/1/56	2 and 2-1/4	595,000
Series I	4/1/57	2-1/2	1,295,000
Series J	5/1/58	2-1/4 and 2-1/2	800,000
Series K	12/1/58	2-3/4 and 3	<u>830,000</u>
			<u>4,318,000</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
BONDED INDEBTEDNESS
June 30, 1965

EXHIBIT H
Page 2

	<u>Date of Issue</u>	<u>Interest Rate Percent</u>	
General City and County (Continued):			
Sewers:			
1948 Sewage Treatment:			
Series C	3/1/52	1-1/2	\$ 320,000
Series E	1/1/56	2 and 2-1/4	420,000
Series F	5/1/58	2-1/4 and 2-1/2	240,000
1954 Sewer:			
Series A	1/1/56	2 and 2-1/4	1,430,000
Series B	11/1/57	3	2,400,000
Series C	12/1/58	2-3/4 and 3	1,575,000
Series D	2/1/60	3-1/4 and 3-1/2	650,000
Series E	4/1/63	2 to 2-3/4	1,460,000
1960 Sewer:			
Series A	3/1/62	2-1/4 to 3	3,910,000
Series B	9/1/64	2-1/2 to 5	5,000,000
			<u>17,405,000</u>
Parks and Playgrounds:			
1947 Recreation:			
Series C	9/1/50	1-1/2	153,000
Series D	8/1/53	2-1/2	660,000
Series E	4/1/55	1-3/4	450,000
Series F	1/1/56	2 and 2-1/4	745,000
Series G	4/1/57	2-1/2	560,000
1954 Recreation Center:			
Series A	5/1/58	2-1/4 and 2-1/2	2,655,000
1955 Playgrounds and Recreation Centers:			
Series A	11/1/57	3	1,080,000
Series B	5/1/58	2-1/4 and 2-1/2	520,000
Series C	12/1/58	2-3/4 and 3	360,000
Series D	2/1/60	3-1/4 and 3-1/2	200,000
Series E	10/1/60	2-1/4 to 3	720,000
Series F	3/1/62	2-1/4 to 3	790,000
Series G	9/1/64	2-1/2 to 5	695,000
1958 Recreation and Park:			
Series A	2/1/60	3-1/4 and 3-1/2	875,000
Series B	7/1/61	2-1/2 to 3-1/4	215,000
1961 Fort Funston:			
Series A	3/1/62	2-1/4 to 3	890,000
			<u>11,568,000</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
BONDED INDEBTEDNESS
June 30, 1965

EXHIBIT H
Page 3

	<u>Date of Issue</u>	<u>Interest Rate Percent</u>	
General City and County (Continued):			
Off-Street Parking:			
1947 Off-Street Parking:			
Series A	3/1/52	1-1/2	\$ 80,000
Series B	1/1/56	2 and 2-1/4	1,105,000
Series C	5/1/58	2-1/4 and 2-1/2	1,055,000
			<u>2,240,000</u>
Hospitals:			
1954 San Francisco			
Hospital:			
Series A	1/1/56	2 and 2-1/4	745,000
Series B	11/1/57	3	800,000
Series C	12/1/58	2-3/4 and 3	405,000
Series D	6/1/59	3-1/4	1,010,000
Series E	10/1/60	2-1/4 to 3	330,000
1954 Laguna Honda Home			
and Hospital:			
Series A	1/1/56	2 and 2-1/4	1,430,000
Series B	4/1/57	2-1/2	1,180,000
Series C	5/1/58	2-1/4 and 2-1/2	240,000
			<u>6,140,000</u>
Fire Protection:			
1952 Firehouse:			
Series A	4/1/55	1-3/4	775,000
Series B	1/1/56	2 and 2-1/4	420,000
Series C	4/1/57	2-1/2	640,000
Series D	2/1/60	3-1/4 and 3-1/2	200,000
Series E	7/1/61	2-1/2 to 3-1/4	190,000
			<u>2,225,000</u>
Exhibit Hall:			
1954 Exhibit Hall:			
Series A	4/1/57	2-1/2	<u>1,515,000</u>
Hall of Justice:			
1956 Hall of Justice:			
Series A	4/1/57	2-1/2	675,000
Series B	5/1/58	2-1/4 and 2-1/2	800,000
Series C	12/1/58	2-3/4 and 3	9,270,000
			<u>10,745,000</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
BONDED INDEBTEDNESS
June 30, 1965

EXHIBIT H

Page 4

	<u>Date of Issue</u>	<u>Interest Rate Percent</u>	
General City and County (Continued):			
Civic Center Auditorium:			
1959 Civic Center Auditorium:			
Series A	7/1/61	2-1/2 to 3-1/4	\$ 600,000
Series B	3/1/62	2-1/4 to 3	<u>5,280,000</u>
			<u>5,880,000</u>
de Young Museum:			
1960 de Young Museum:			
Series A	4/1/63	2 to 2-3/4	<u>2,365,000</u>
Palace of Fine Arts:			
1959 Palace of Fine Arts:			
Series A	9/1/64	2-1/2 to 5	<u>1,800,000</u>
Total General City and County			\$ <u>95,476,000</u>

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT I

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET

June 30, 1965

A S S E T S :

	Total	Public Utilities Commission	Municipal Railway of San Francisco	San. Francisco Water Department	Hetch Hetchy Project	San Francisco International Airport
Fixed capital:						
Properties:	\$438,025,185	\$21,727	\$31,617,311	\$140,891,699	\$181,317,366	\$84,177,082
Less, accumulated depreciation	140,858,497		22,884,007	44,688,819	54,921,525	18,364,146
Depreciated value	297,166,688	21,727	8,733,304	96,202,880	126,395,841	65,812,936
Construction in progress	31,891,480			3,955,637	17,561,844	10,373,999
Total fixed capital	329,058,168	21,727	8,733,304	100,158,517	143,957,685	76,186,935
Cash:						
On deposit with treasurer	43,340,530	47,500	3,712,286	11,977,648	18,760,275	8,842,821
Revolving and change funds	307,500	1,000	270,000	30,000	4,000	2,500
Total cash	43,648,030	48,500	3,982,286	12,007,648	18,764,275	8,845,321
Accounts receivable:						
Revenues accrued and other receivables	4,375,609		194,715	2,274,815	906,556	999,523
Less, allowance for doubtful receivables	222,402			149,821		72,581
Accounts receivable net	4,153,207		194,715	2,124,994	906,556	926,942
Federal and other grants receivable						
subject to approval	1,607,902					
Less, reserve for unapproved grants	1,495,036					
Federal and other grants receivable, net	112,866					
Interfund accounts receivable:						
Due from General City and County	122,459	65	72,110	21,083	29,201	
Due from Public Service Enterprises (contra)	703,455	79	211	15,724	680,923	1,199,012
Total interfund accounts receivable	825,914	144	72,321	36,807	710,124	
Deferred charges:						
Materials and supplies	1,300,961					
Uncompleted contracts, purchase orders						
and other commitments (contra)	16,386,216	258	367,742	3,358,989	9,846,005	2,813,222
Prepaid rental of leased equipment	494,508					
Other	1,344,645			848,306	85,417	35,248
Total deferred charges	19,526,330	258	1,880,900	4,811,659	9,966,854	2,866,659
	\$397,324,515	\$70,629	\$14,976,392	\$119,139,625	\$174,305,494	\$86,832,375

Reference is made herein to other notes which accompany the financial statements submitted by other certified public accountants and included in the Annual Report of the Controller.

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT I

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET

June 30, 1965

LIABILITIES:

Total

		Public Utilities Commission	Municipal Railway of San Francisco	San Francisco Water Department	Hetch Hetchy Project	San Francisco International Airport
Bonded debt:						
Maturing within one year	\$ 9,523,000			\$ 1,669,076	\$ 5,317,924	\$ 2,536,000
Maturing subsequent to June 30, 1966	106,690,000			21,719,215	60,135,785	24,835,000
Total	116,213,000			23,388,291	65,453,709	27,371,000
Matured bonds not presented for payment	46,200		\$ 2,200	4,000	40,000	
Total bonded debt	116,259,200		2,200	23,392,291	65,493,709	27,371,000
Bond interest:						
Accrued but not due	1,109,318			135,000	746,731	227,587
Matured coupons not presented for payment	31,432		278	4,072	23,450	3,633
Total bond interest	1,140,751		278	139,072	770,181	231,220
Accounts payable and commitments:						
Accounts payable	3,570,577	\$12,874	381,357	1,249,119	681,061	1,236,166
Accounts receivable	2,193,483	444	1,566,419	115,824	200,764	310,032
Uncompleted contracts, purchase orders and other commitments (contra)	16,386,216	258	367,742	3,358,989	9,846,005	2,813,222
Deposits and construction advances	364,672			364,672		
Total accounts payable and commitments	22,514,948	13,576	2,315,518	5,088,604	10,737,830	4,359,420
Interfund accounts payable:						
Due to General City and County	1,041,504	7,398	262,264	649,577	45,620	76,645
Due to Public Service Enterprises (contra)	703,455	19,536	19,062	490,047	4,247	170,563
Total interfund accounts payable	1,744,959	26,934	281,326	1,139,624	49,867	247,208
Deferred credits	327,213	7,292		3,766	852	
Reserves:						
Reserve for accident claims	4,196,222		4,134,271	53,829	8,122	
Other reserves	624,950		565,000	59,950		
Total reserves	4,821,172		4,699,271	113,779	8,122	
Surplus (Exhibit J)	250,516,272	22,827	7,677,799	89,262,489	97,244,933	56,308,224
	\$397,324,515	\$70,629	\$14,976,392	\$119,139,625	\$174,305,494	\$88,832,375

Reference is made herein to other notes which accompany the financial statements submitted by other certified public accountants and included in the Annual Report of the Controller.

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT J

PUBLIC SERVICE ENTERPRISES

STATEMENT OF INCOME AND SURPLUS
For the year ended June 30, 1965

REVENUES AND EXPENSES:		Total	Public Utilities Commission	Municipal Railway of San Francisco	San Francisco Water Department	Hetch Hetchy Project	San Francisco International Airport
Operating revenues		\$ 61,641,465		\$19,904,815	\$17,401,022	\$15,289,731	\$ 9,045,897
Operating expenses		56,867,792		28,013,792	13,654,616	9,170,522	6,028,862
Operating income (loss)		<u>4,773,673</u>		<u>(8,108,977)</u>	<u>3,746,406</u>	<u>6,119,209</u>	<u>3,017,035</u>
Other revenues:							
Interest earned		178,340		63,868	114,472		
Gain (loss) from sale of property, net		195,331		4,045	200,492	(3,886)	(5,320)
Other		836,975			760,202	76,773	
Total		<u>1,210,646</u>		<u>67,913</u>	<u>1,075,166</u>	<u>72,887</u>	<u>(5,320)</u>
Other expenses:							
Interest on bonded debt		1,437,388		320	311,971	1,125,097	
Other		<u>79,295</u>		<u>1,555</u>	<u>75,172</u>	<u>2,568</u>	
Total		<u>1,516,683</u>		<u>1,875</u>	<u>387,143</u>	<u>1,127,665</u>	
Net income (loss) for the year		<u>\$ 4,467,636</u>		<u>\$(8,042,939)</u>	<u>\$ 4,434,429</u>	<u>\$ 5,064,431</u>	<u>\$ 3,011,715</u>
SURPLUS:							
Surplus, June 30, 1964		\$237,695,359	\$21,870	\$ 8,243,038	\$84,828,060	\$92,180,502	\$52,421,889
Net income (loss) for the year		4,467,636		(8,042,939)	4,434,429	5,064,431	3,011,715
Contributions from:							
General City and County		7,364,834		7,364,834			
Federal grants		985,540		112,866			
Other		<u>1,946</u>					
Adjustment of fixed assets		<u>957</u>	957				
Surplus, June 30, 1965		<u>\$250,516,272</u>	<u>\$22,827</u>	<u>\$7,677,799</u>	<u>\$89,262,489</u>	<u>\$97,244,933</u>	<u>\$56,308,224</u>

Reference is made herein to other notes which accompany the financial statements submitted by other certified public accountants and included in the Annual Report of the Controller.

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Interfund Accounts Receivable</u>	<u>Unsold Bonds</u>	<u>Amounts To Be Provided For Payment of Bond Principal</u>	<u>Material and Supplies</u>	<u>Total</u>
\$ 5,829,920	\$ 906,557	\$ 968,736			\$ 35,432	\$ 7,740,645
				\$ 1,000,000		1,000,000
				7,800,000		7,800,000
				1,100,000		1,100,000
				1,922,000		1,922,000
47,587				645,000		692,587
<u>10,887,155</u>		<u>26,831</u>		<u>40,465,000</u>		<u>51,178,986</u>
<u>16,764,662</u>	<u>906,557</u>	<u>995,567</u>		<u>52,932,000</u>	<u>35,432</u>	<u>71,634,218</u>
7,444,811	3,504,623	307,270			604,364	11,861,068
<u>\$ 330,927</u>		<u>2,190,145</u>	<u>\$83,460,000</u>	<u>6,000,000</u>		<u>6,000,000</u>
<u>12,775,738</u>	<u>3,504,623</u>	<u>2,497,415</u>	<u>83,460,000</u>	<u>35,910,000</u>	<u>604,364</u>	<u>138,752,140</u>
3,963,757	713,454	274,716			642,976	5,594,903
<u>16,052</u>						<u>16,052</u>
<u>3,979,809</u>	<u>713,454</u>	<u>274,716</u>			<u>642,976</u>	<u>5,610,955</u>
4,403,979	998,535	301,500			18,189	5,722,203
12,800						12,800
971,603		170,509		17,585,000		18,727,112
453,591	1,199,012					1,652,603
				77,000		77,000
				409,000		409,000
<u>2,999,715</u>				<u>9,300,000</u>		<u>12,299,715</u>
<u>8,841,688</u>	<u>2,197,547</u>	<u>472,009</u>		<u>27,371,000</u>	<u>18,189</u>	<u>38,900,433</u>
<u>48,500</u>						<u>48,500</u>
<u>1,237,633</u>						<u>1,237,633</u>
\$43,648,030	\$7,322,181	\$4,239,707	\$83,460,000	\$116,213,000	\$1,300,961	\$256,183,879

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
INDIVIDUAL FUND BALANCE SHEETS
June 30, 1965

800115

	Total	Bonded Debt	Accounts Payable and Commitments	Interfund Accounts Payable	Reserves	Deferred Credits	Uncumbered Appropriation	Unappropriated
Hetch Hetchy Project:								
Operating	\$ 7,740,645		\$ 2,403,775	\$ 179,000	\$ 39,432	\$ 243,747	\$ 3,071,572	\$ 2,501,147
1925 Water Bonds	1,000,000	\$ 1,000,000						
1928 Water Bonds	7,800,000	7,800,000						
1932 Water Bonds	1,100,000	1,100,000						
1947 Water Bonds	1,922,000	1,922,000						
1949 Cherry Valley Dam Bonds	692,587	645,000					47,587	
1955 Hetch Hetchy Power Bonds	51,378,986	40,465,000	8,215,704	210,597			2,089,576	188,100
	71,634,218	52,932,000	10,619,479	389,597	39,432	243,747	5,208,735	2,501,247
San Francisco Water Department:								
Operating	11,861,068		1,667,358	2,476,286	799,005	49,346	3,147,391	1,704,082
1928 Spring Valley Bonds	6,000,000	6,000,000	3,227,825	957,077			28,537,130	18,318,040
1961 Municipal Water System Bonds	120,891,072	29,910,000	4,895,183	3,433,363	799,005	49,346	31,684,521	61,980,122
	138,752,140	35,910,000						
Municipal Railway of San Francisco:								
Operating	5,594,903		1,608,018	960,548	912,976	202,850	1,509,103	421,408
1947 Municipal Railway Rehabilitation	16,052						16,052	
	5,610,955		1,608,018	960,548	912,976	202,850	1,525,155	437,408
San Francisco International Airport:								
Operating	5,722,203		1,331,895	338,538	93,270	1,500	2,438,657	1,715,141
Special aviation	12,800		3,933				1,423	7,444
1956 Airport Bonds	18,727,112	17,585,000	624,524	114,025			295,459	105,104
Federal Airport Project	1,652,603		2,001	490,512			431,587	728,509
1945 Airport Bonds	77,000	77,000						
1949 Airport Bonds	409,000	409,000						
1962 Airport Bonds	12,299,715	9,300,000	2,125,773	75,900			677,996	120,041
	38,900,433	27,371,000	4,088,126	1,018,975	93,270	1,500	3,845,122	2,482,441
Public Utilities Commission - operating	48,500		10,632	12,803	1,000		100	23,885
Bond Interest and Redemption	1,237,633		77,633		1,160,000			
	\$256,183,879	\$116,213,000	\$21,299,071	\$5,815,286	\$3,005,683	\$497,443	\$42,263,633	\$61,649,183

San Francisco Water Department

AND

HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF ACCOUNTS

YEAR ENDED JUNE 30, 1965

JOHN F. FORBES & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF THE
AMERICAN GROUP OF C.P.A. FIRMS
WITH OFFICES IN PRINCIPAL CITIES

CROCKER BUILDING
SAN FRANCISCO 94104

September 22, 1965.

The Honorable Harry D. Ross,
Controller, City and County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements and schedules of the San Francisco Water Department and Hetch Hetchy Project as follows:

Exhibit

- A - Comparative Combined Balance Sheet,
June 30, 1965 and 1964.
- B - Comparative Combined Statement of Income
Years Ended June 30, 1965 and 1964.
- C - Combining Balance Sheet, June 30, 1965.
- D - Combining Statement of Income
Year Ended June 30, 1965.
- E - Combining Statement of Surplus
Year Ended June 30, 1965.

Schedule

- 1 - Combining Summary of Property, Plant,
and Equipment, and Related Accumulated
Depreciation, June 30, 1965.
- 2 - Combining Summary of Additions and Retirements
to Utility Plant in Service
Year Ended June 30, 1965.
- 3 - Combining Statement of Bonded Indebtedness,
June 30, 1965.

Notes to Financial Statements, June 30, 1965.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements and schedules referred to above present fairly the financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1965, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours truly,

John F. Forbes & Company

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMPARATIVE COMBINED BALANCE SHEET, JUNE 30, 1965 AND 1964

	1965	JUNE 30, 1964	INCREASE (DECREASE)
A S S E T S			
PROPERTY, PLANT AND EQUIPMENT (Note 1)			
Utility plant in service.....	\$321,145,121	\$296,036,083	\$25,109,038
Utility plant not in service.....	1,063,944	1,062,161	1,783
Total.....	322,209,065	297,098,244	25,110,821
Less accumulated depreciation.....	99,610,344	95,521,221	4,089,123
Depreciated value.....	222,598,721	201,577,023	21,021,698
Construction work in progress.....	21,517,481	34,271,988	(12,754,007)
Total property, plant and equipment, net.....	244,116,202	235,848,511	8,267,691
CASH.....	30,771,923	32,902,712	(2,130,789)
ACCOUNTS RECEIVABLE - Net.....	3,031,550	2,322,747	708,803
DUE FROM CITY AND COUNTY OF SAN FRANCISCO.....	253,837	3,016,746	(2,762,909)
OTHER ASSETS:			
Materials and supplies.....	639,796	585,515	54,281
Commitments for materials and services not received (contra).....	13,204,994	7,588,815	5,616,179
Other.....	933,723	450,582	483,141
	\$292,252,025	\$282,715,628	\$10,236,397
LI A B I L I T I E S			
BONDED DEBT (Note 2).....	\$ 88,846,500	\$ 91,159,000	\$(2,272,000)
LONG INTEREST PAYABLE.....	909,253	953,834	(44,581)
ACCOUNTS PAYABLE AND COMMITMENTS:			
Accounts payable.....	2,256,768	5,242,838	(2,986,070)
Commitments for materials and services not received (contra).....	13,204,994	7,588,815	5,616,179
DEPOSITS AND CONSTRUCTION ADVANCES.....	364,672	496,456	(131,784)
DUE TO CITY AND COUNTY OF SAN FRANCISCO.....	696,397	114,295	582,102
RESERVES AND DEFERRED CREDITS:			
Injuries and damages reserve (Note 6).....	61,951	88,152	(26,201)
Consumers' accounts subject to adjustment (Note 6).....	59,950	59,950	
Other.....	4,618	3,726	892
SURPLUS.....	186,507,422	177,008,562	9,498,860
	\$292,952,025	\$282,715,628	\$10,236,397

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMPARATIVE COMBINED STATEMENT OF INCOME
YEARS ENDED JUNE 30, 1965 AND 1964

	1965	1964	INCREASE (DECREASE)
OPERATING REVENUES:			
Water sales*	\$17,401,022	\$16,720,251	\$ 680,771
Electrical energy sales	10,478,880	10,505,412	(26,532)
Total operating revenues	27,879,902	27,225,663	654,239
OPERATING EXPENSES:			
Purchases of electrical energy	2,144,702	833,313	1,311,389
Production expenses	593,134	566,134	27,000
Source of supply	978,589	876,179	102,410
Pumping	139,860	132,496	(7,364)
Water treatment	428,942	438,468	(9,526)
Transmission and distribution	4,909,423	4,730,053	179,370
Commercial (customers accounts and sales expenses)	829,334	757,678	71,656
Administration and general	2,445,662	2,188,865	256,797
Property taxes	1,273,082	1,223,030	50,052
Depreciation	4,271,559	4,089,584	181,975
Total operating expenses	18,014,287	15,855,800	2,158,487
OPERATING INCOME	9,865,615	11,369,863	(1,504,248)
OTHER INCOME:			
Gains from sales of property, net	196,606	325,821	(129,215)
Rentals received (including crop sales)	494,382	421,260	73,122
Interest earned	114,472	109,958	4,514
Miscellaneous	342,593	321,067	21,526
Total other income	1,148,053	1,248,106	(100,053)
OTHER DEDUCTIONS:			
Interest on bonded debt	1,437,068	1,600,621	(163,553)
Agricultural division and rental and crop expenses	71,509	71,344	165
Miscellaneous	6,231	42,738	(36,507)
Total other deductions	1,514,808	1,714,703	(199,895)
EXCESS OF REVENUES OVER EXPENSES	\$ 9,498,860	\$10,903,266	\$(1,404,406)

* Water and electrical energy sales by Hetch Hetchy Project to the Water Department and the corresponding expense of the Water Department have been eliminated. These sales amounted to \$4,810,851 for the year ended June 30, 1965 and \$4,769,050 for the year ended June 30, 1964.

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING BALANCE SHEET, JUNE 30, 1965

A S S E T S	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
PROPERTY, PLANT, AND EQUIPMENT (Schedule 1) (Note 1):				
Utility plant in service:				
Water rights and other intangible assets.....	\$ 5,958,543		\$ 3,222,913	\$ 2,735,630
Tangible plant.....	315,186,578		137,014,476	178,172,102
Utility plant not in service - Tangible plant.....	1,063,944		654,310	409,634
Total.....	322,209,065		140,891,699	181,317,366
Less accumulated depreciation.....	99,610,344		44,668,819	54,921,525
Depreciated value.....	222,598,721		96,202,880	126,395,841
Construction work in progress.....	21,517,481		3,955,637	17,561,844
Total property, plant, and equipment, net.....	244,116,202		100,158,517	143,957,665
CASH:				
On deposit with Treasurer.....	30,737,923		11,977,648	18,760,275
Revolving funds.....	34,000		30,000	4,000
Total cash.....	30,771,923		12,007,648	18,764,275
ACCOUNTS RECEIVABLE:				
Consumers' accounts.....	2,892,294		1,988,316	903,978
Rentals, claims, and miscellaneous accounts.....	289,077		286,499	2,578
Total.....	3,181,371		2,274,815	906,556
Less allowance for doubtful accounts.....	149,821		149,821	
Accounts receivable - Net.....	3,031,550		2,124,994	906,556
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:				
General departments and funds.....	50,284		21,083	29,201
Other public service departments.....	203,553	\$493,094	15,724	680,923
Total due from City and County of San Francisco.....	253,837	493,094	36,807	710,124
OTHER ASSETS:				
Materials and supplies.....	639,796		604,364	35,432
Commitments for material and services not received (contra).....	13,204,994		3,358,989	9,846,005
Other work in progress.....	921,193		839,630	81,563
Deferred charges and deposits.....	12,530		8,676	3,854
Total other assets.....	14,778,513		4,811,659	9,966,854
	\$292,952,025	\$493,094	\$119,139,625	\$174,305,494

See notes to financial statements.

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING BALANCE SHEET, JUNE 30, 1965

	L I A B I L I T I E S			WATER DEPARTMENT		HETCH HETCHY PROJECT
	COMBINED	ELIMINATIONS				
BONDED DEBT (Schedule 3) (Note 2):						
Matured bonds not presented for payment.....	\$ 44,000		\$ 4,000		\$ 40,000	
Maturing within one year.....	6,987,000		1,669,076		5,317,924	
Maturing subsequent to June 30, 1966.....	81,855,000		21,719,235		60,135,765	
Total bonded debt.....	88,886,000		23,392,291		65,493,709	
BOND INTEREST PAYABLE:						
Matured coupons not presented for payment.....	27,522		4,072		23,450	
Due July 1, 1965.....	335,500		135,000		200,500	
Accrued due subsequent to July 1, 1965.....	546,231				546,231	
Total bond interest payable.....	909,253		139,072		770,181	
ACCOUNTS PAYABLE AND COMMITMENTS:						
Warrants outstanding and payroll deductions payable.....	316,588		115,824		200,764	
Accounts payable.....	1,225,433		756,884		468,549	
Accrued payroll.....	354,949		247,247		107,702	
Retained percentages due contractors.....	359,798		244,988		114,810	
Commitments for materials and services not received (contra).....	13,204,994		3,358,989		9,846,005	
Total accounts payable and commitments.....	15,461,762		4,733,932		10,727,830	
DEPOSITS AND CONSTRUCTION ADVANCES.....	364,672		364,672			
DUE TO CITY AND COUNTY OF SAN FRANCISCO:						
General departments and funds.....	695,197		649,577		45,620	
Other public service departments.....	1,200	\$493,094	490,047		4,247	
Total due to City and County of San Francisco.....	696,397	493,094	1,139,624		49,867	
RESERVES AND DEFERRED CREDITS:						
Injuries and damages reserve (Note 6).....	61,951		53,829		8,122	
Consumers' accounts subject to adjustment (Note 6).....	59,950		3,766		852	
Other.....	4,618		117,545		8,974	
Total reserves and deferred credits.....	126,519		186,507,422		97,244,933	
SURPLUS (Exhibit E).....	186,507,422		89,262,489		97,244,933	
	\$292,952,025	\$493,094	\$119,139,625		\$174,305,494	

See notes to financial statements.

(Concluded)

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF INCOME
YEAR ENDED JUNE 30, 1965

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
OPERATING REVENUES (Note 5):				
Water sales.....	\$17,401,022	\$4,500,000	\$17,401,022	\$ 4,500,000
Electrical energy sales.....	10,478,880	310,851		10,789,731
Total operating revenues.....	27,879,902	4,810,851	17,401,022	15,289,731
OPERATING EXPENSES:				
Standby charges and purchases of water.....		4,500,000	4,500,000	
Purchases of electrical energy.....	2,144,702			2,144,702
Production expenses.....	593,134			593,134
Source of supply.....	978,589	5,791	984,380	
Pumping.....	139,860	272,254	412,114	
Water treatment.....	428,942	13,188	442,130	
Transmission and distribution.....	4,909,423	7,939	2,291,547	2,625,815
Commercial (customer accounts and sales expenses).....	829,334		829,334	
Administration and general.....	2,445,662	11,679	1,486,732	970,609
Property taxes (Note 5).....	1,273,082		1,044,537	228,545
Depreciation.....	4,271,559		1,663,842	2,607,717
Total operating expenses.....	\$18,014,287	4,810,851	13,654,616	9,170,522
OPERATING INCOME.....	9,865,615		3,746,406	6,119,209
OTHER INCOME:				
Gains (losses) from sales of property.....	196,606		200,492	(3,886)
Rentals received (including crop sales).....	494,382		464,476	29,906
Interest earned.....	114,472		114,472	
Miscellaneous.....	342,593		295,726	46,867
Total other income.....	1,148,053		1,075,166	72,887
Total.....	11,013,668		4,821,572	6,192,096
OTHER DEDUCTIONS:				
Interest on bonded debt.....	1,147,068		311,971	1,125,097
Agricultural division, rental and crop expenses.....	71,509		71,509	
Miscellaneous.....	6,231		3,663	2,568
Total other deductions.....	1,514,808		387,143	1,127,665
EXCESS OF REVENUES OVER EXPENSES.....	\$ 9,498,860		\$ 4,434,429	\$ 5,064,431

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENT AND HETCH HETCHY PROJECTCOMBINING STATEMENT OF SURPLUS
YEAR ENDED JUNE 30, 1965

	COMBINED	WATER DEPARTMENT	HETCH HETCHY PROJECT
BALANCE, JUNE 30, 1964.....	\$177,008,562	\$84,828,060	\$92,180,502
EXCESS OF REVENUES OVER EXPENSES (Exhibit D).....	<u>9,498,860</u>	<u>4,434,429</u>	<u>5,064,431</u>
BALANCE, JUNE 30, 1965 (Exhibit C).....	<u>\$186,507,422</u>	<u>\$89,262,489</u>	<u>\$97,244,933</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT
AND RELATED ACCUMULATED DEPRECIATION, JUNE 30, 1965

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
UTILITY PLANT IN SERVICE:		
Water rights and other intangible assets:		
Water Department.....	\$ 3,222,913	
Hetch Hetchy Project.....	2,735,630	
Total intangible plant in service	<u>5,958,543</u>	
Tangible plant:		
Water Department:		
Landed capital.....	14,940,472	
Source of supply plant.....	45,561,255	\$13,170,880
Pumping plant.....	2,675,966	1,086,085
Water treatment plant.....	1,112,996	328,560
Transmission and distribution plant..	67,181,348	27,871,461
General plant.....	3,667,056	1,286,215
Interest during construction.....	1,875,383	491,595
Total Water Department.....	<u>137,014,476</u>	<u>44,234,796</u>
Hetch Hetchy Project:		
Electric plant:		
Hydraulic production.....	31,132,050	7,843,690
Transmission plant.....	11,390,926	3,059,638
Distribution plant.....	21,423	9,689
General plant.....	295,243	139,940
Interest during construction.....	3,808,845	220,800
Total electric plant.....	<u>46,648,487</u>	<u>11,273,757</u>
Water plant:		
Pumping plant.....	15,375	10,816
Water treatment plant.....	151,643	83,673
Transmission and distribution plant	82,176,632	29,946,350
Interest during construction.....	768,475	4,687
Total water plant.....	<u>83,112,125</u>	<u>30,045,526</u>
Joint plant:		
Hydraulic plant.....	45,358,857	12,229,474
Transmission plant.....	153,319	78,810
Distribution plant.....	116,973	72,756
General plant.....	2,782,341	1,221,202
Total joint plant.....	<u>48,411,490</u>	<u>13,602,242</u>
Total Hetch Hetchy Project.....	<u>178,172,102</u>	<u>54,921,525</u>
Total tangible plant		
in service.....	<u>315,186,578</u>	<u>99,156,321</u>
Total utility plant in service (Forward).	321,145,121	99,156,321

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
 WATER DEPARTMENT AND HETCH HETCHY PROJECT
 COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

PROPERTY, PLANT, ACCUMULATED
 AND EQUIPMENT DEPRECIATION

UTILITY PLANT IN SERVICE (Forward).....	<u>\$321,145,121</u>	<u>\$99,156,321</u>
UTILITY PLANT NOT IN SERVICE:		
Tangible plant:		
Water Department.....	654,310	454,023
Hetch Hetchy Project.....	<u>409,634</u>	
Total utility plant not in service.....	<u>1,063,944</u>	<u>454,023</u>
CONSTRUCTION WORK IN PROGRESS:		
Water Department:		
Water mains.....	323,142	
Balboa Reservoir.....	659,432	
Calaveras and San Antonio		
Filtration Plant.....	2,197,633	
Bay Division Pipeline #4.....	214,388	
Crystal Springs Pipeline #3.....	234,409	
Unallocated Bond Interest Capitalized..	152,239	
Other.....	<u>174,394</u>	
Total Water Department.....	<u>3,955,637</u>	
Hetch Hetchy Project:		
Canyon Power Project.....	14,391,281	
San Joaquin Pipeline #3.....	495,879	
Mocassin Powerhouse.....	135,630	
Unallocated Bond Interest Capitalized..	2,410,014	
Other.....	<u>129,040</u>	
Total Hetch Hetchy Project.....	<u>17,561,844</u>	
Total construction work in progress.....	<u>21,517,481</u>	
TOTAL PROPERTY, PLANT, AND EQUIPMENT.....	<u>\$343,726,546</u>	<u>\$99,610,344</u>

See notes to financial statements.

(Concluded)

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING SUMMARY OF ADDITIONS AND RETIREMENTS
TO UTILITY PLANT IN SERVICE
YEAR ENDED JUNE 30, 1965

	<u>ADDITIONS</u>	<u>RETIREMENTS</u>
Water Department:		
Landed capital.....	\$ 13,489	\$ 10,293
Source of supply plant.....	13,077,680	
Pumping plant.....	33,932	
Water treatment plant.....	175,676	2,752
Transmission and distribution plant.....	1,917,863	164,456
General plant.....	146,879	48,519
Bond interest during construction.....	944,216	
Total Water Department.....	<u>16,309,735</u>	<u>226,020</u>
Hetch Hetchy Project:		
Electric plant.....	116,604	2,624
Water plant.....	8,860,541	
Joint plant.....	115,542	64,740
Total Hetch Hetchy Project...	<u>9,092,687</u>	<u>67,364</u>
Total.....	<u>\$25,402,422</u>	<u>\$293,384</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF BONDED INDEBTEDNESS, JUNE 30, 1965

	MATURED	UNMATURED	TOTAL
WATER DEPARTMENT:			
Spring Valley, July 1, 1928, 4-1/2%.....	\$ 4,000	\$ 6,000,000	\$ 6,004,000
1947 Hetch Hetchy Water:			
Series A, February 1, 1948, 2-1/2%.....		122,400	122,400
Series E, September 1, 1950, 1-1/4%.....		92,646	92,646
Series F, August 1, 1953, 2-1/2%.....		367,528	367,528
1961 Municipal Water System:			
Series A, March 1, 1962, 2-1/2% to 6%.....		415,713	415,713
Series B, April 1, 1963, 2-1/4% to 6%.....		14,250,004	14,250,004
Series C, September 1, 1964, 1/4% to 6%.....		2,140,000	2,140,000
Total Water Department.....	4,000	23,388,291	23,392,291
HETCH HETCHY PROJECT:			
Water, July 1, 1910, 4-1/2%.....	11,000		11,000
Hetch Hetchy Water, January 1, 1925, 5%.....		1,000,000	1,000,000
Hetch Hetchy, July 1, 1928, 4-1/2%.....	4,000	7,800,000	7,804,000
Hetch Hetchy, June 1, 1932, 2-3/4% to 5%.....	25,000	1,100,000	1,125,000
1947 Hetch Hetchy Water:			
Series A, February 1, 1948, 2-1/2%.....		1,002,600	1,002,600
Series E, September 1, 1950, 1-1/4%.....		264,354	264,354
Series F, August 1, 1953, 2-1/2%.....		72,472	72,472
1949 Cherry Valley Dam:			
Series B, December 1, 1952, 1-3/4%.....		645,000	645,000
1955 Hetch Hetchy Power:			
Series A, April 1, 1957, 2-1/2%.....		6,125,000	6,125,000
Series B, November 1, 1957, 3%.....		8,500,000	8,500,000
Series C, May 1, 1958, 2% to 2-3/4%.....		3,525,000	3,525,000
Series D, December 1, 1958, 3%.....		1,470,000	1,470,000
Series E, June 1, 1959, 3% to 3-1/4%.....		1,470,000	1,470,000
Series F, February 1, 1960, 1% to 6%.....		3,375,000	3,375,000
Series G, October 1, 1960, 1% to 6%.....		12,000,000	12,000,000
Series H, September 1, 1964, 1/4% to 6%.....		4,000,000	4,000,000
1961 Municipal Water System:			
Series A, March 1, 1962, 2-1/2% to 6%.....		5,404,287	5,404,287
Series B, April 1, 1963, 2-1/4% to 6%.....		7,599,996	7,599,996
Series C, September 1, 1964, 1/4% to 6%.....		100,000	100,000
Total Hetch Hetchy Project.....	40,000	65,453,709	65,493,709
TOTAL.....	\$44,000	\$89,842,000	\$89,886,000

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1965

NOTE:

1. PROPERTY, PLANT, AND EQUIPMENT

Section 128 of the charter of the City and County of San Francisco provides that the Public Utilities Commission shall make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recently completed appraisal as of June 30, 1963, have been given effect in the accounts as of June 30, 1964. Additions to properties subsequent to June 30, 1963, have been recorded at cost. Depreciation for the year ended June 30, 1965, is based upon rates as set forth in the 1963 appraisal and additions for the year ended June 30, 1964.

The electors of the City and County of San Francisco approved a \$54,000,000 Hetch Hetch Power bond issue in 1955 to be used for the Cherry and Canyon projects in Tuolumne County, California. As of June 30, 1965, this entire bond issue had been sold. The cost of the completed Cherry project was \$33,754,456. The cost of the Canyon Power project to date is \$14,431,633. This project is anticipated to be completed at an estimated additional cost of approximately \$7,570,000.

The electors of the City and County of San Francisco approved a \$115,000,000 Municipal Water System bond issue to be used for various projects. As of June 30, 1965, \$31,540,000 of these bonds had been issued with \$17,590,000 allocated to the Water Department and \$13,950,000 to the Hetch Hetchy Project. Of these funds the Water Department and the Hetch Hetchy Project have expended \$15,432,567 and \$12,256,897 respectively. The cost of completed projects included in these expenditures amounted to \$13,345,101 for the Water Department and \$11,736,777 for the Hetch Hetchy Project. The cost of these projects relating to the bond funds and included in construction work in progress at June 30, 1965, amounted to \$2,087,466 for the Water Department and \$520,120 for the Hetch Hetchy Project.

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1965

2. BONDED DEBT

Information concerning the combined bonded debt of \$88,886,000 incurred upon the general faith and credit of the City and County of San Francisco, is provided in Schedule 3 accompanying the financial statements. In general, bonds in the amount of \$88,842,000 mature serially in varying annual amounts through the fiscal year ending June 30, 1985. A summary of maturities for the succeeding five years follows:

<u>Year Ending</u> <u>June 30</u>	<u>Amount</u>
1966.....	\$ 6,987,000
1967.....	6,825,000
1968.....	7,545,000
1969.....	6,950,000
1970.....	<u>7,590,000</u>
Total.....	<u>\$35,897,000</u>

3. PENSION PLAN

The Water Department and Hetch Hetchy Project, as part of the City and County of San Francisco, participate in a compulsory contributory retirement plan for full time employees, integrated with the benefits provided by the Social Security Law.

Costs for the year ended June 30, 1965, based on actuarial computations and charged to expense are as follows:

Water Department.....	\$263,635
Hetch Hetchy Project.....	117,447

4. PROJECTED MERGER

Section 122 of the Charter of the City and County of San Francisco requires that the Hetch Hetchy Project be merged on completion with the Water Department. In the opinion of the City Attorney, the project had not been completed

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1965

at June 30, 1965. However, a charter amendment has been approved by the electorate to permit a merger prior to physical completion, upon recommendation by the Public Utilities Commission and approval by the Board of Supervisors by a two-thirds vote. The Public Utilities Commission does not consider it to be in the public interest to merge these departments at this time.

5. OPERATING REVENUE AND TAX EXPENSE

Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other customers are billed bimonthly. The billing operation is on a cyclic basis for consumption in the preceding one or two month period.

The combining statement of income, Exhibit D, does not include recorded revenues from water delivered to certain municipal departments without charge which, if billed at regular rates would have amounted to \$1,167,500; nor does the statement include a charge of an equal amount for municipal tax expense which is also included in the accounts of the Water Department. The amount of \$1,167,500 was computed and recorded in contra accounts in token of compliance with Section 64 of the Charter of the City and County of San Francisco, which provides that the accounts of each utility shall be maintained in such manner as to show estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated. However, on the basis of an estimate by the City Assessor covering the fiscal year ended June 30, 1963, real property taxes within San Francisco would approximate \$2,645,000 for the San Francisco Water Department and \$31,000 for the Hetch Hetchy Project. No subsequent estimate has been made.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1965

6. CONTINGENT LIABILITIES - PENDING ITEMS

The Water Department and Hetch Hetchy Project are contingently liable in connection with various property damage, personal injury, and other matters at June 30, 1965. The amounts claimed totaled some \$1,506,000 but actual liability cannot be ascertained at this time.

Major types of insurance risks are placed with independent insurance carriers; however, the Water Department and Hetch Hetchy Project act as self-insurers against losses from Workmen's compensation claims and certain other liability and property casualty losses.

The Water Department, on acquisition of the facilities of the Spring Valley Water Company, assumed contracts executed by that company which entitled certain consumers to receive water either at reduced rates or free of charge. Based upon a legal opinion of the City Attorney that the contracts were illegal and unenforceable these consumers were billed at normal scheduled rates. A number of consumers filed claims contesting the cancellation of these contracts and for damages resulting therefrom. During the year ended June 30, 1962, the two largest outstanding claims were settled in favor of the consumers. The unpaid billings from November 17, 1950 to June 30, 1965, aggregating \$110,302 are included in consumer accounts receivable and a full reserve has been provided therefor. During the above period certain consumers paid the billings at the normal schedule rates, but considered these payments as made under protest. The Water Department has established a reserve in the amount of \$59,950 representing these payments made under protest, however, no provision has been made for any damages which may be awarded in litigation. No claims were settled in the year ended June 30, 1965.

Municipal Railway of San Francisco



REPORT ON EXAMINATION OF ACCOUNTS

FOR THE YEAR ENDED

JUNE 30, 1965

September 27, 1965

The Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

We have examined the Balance Sheet of the

SAN FRANCISCO MUNICIPAL RAILWAY

A Public Service Enterprise of the
City and County of San Francisco

at June 30, 1965, and the related Statements of Operations and Surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet and Statements of Operations and Surplus present fairly the financial position of the San Francisco Municipal Railway at June 30, 1965, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Attached and made part of this report are the following:

<u>Exhibit A</u>	<u>Balance Sheet</u>	<u>June 30, 1965</u>
<u>Exhibit B</u>	<u>Statement of Surplus</u>	<u>Year Ended June 30, 1965</u>
<u>Exhibit C</u>	<u>Statement of Operations</u>	<u>Years Ended</u> <u>June 30, 1965 and 1964</u>
<u>Exhibit D</u>	<u>Funds Statement</u>	<u>Year Ended June 30, 1965</u>
	<u>Notes to the Financial Statements</u>	<u>June 30, 1965</u>
	<u>Statistics (Unaudited)</u>	<u>Years as Indicated</u>

Yours very truly,

Webb & Webb

Webb & Webb

SAN FRANCISCO MUNICIPAL RAILWAY

BALANCE SHEET

ASSETS

Fixed Capital:

Road and equipment - Note 1	\$31,617,311	
Less: Accumulated depreciation	<u>22,884,007</u>	
<u>Depreciated Cost</u>		\$ 8,733,304

Cash:

On deposit with treasurer	\$ 3,712,286	
Farebox operating change fund	250,000	
Revolving funds	<u>20,000</u>	
<u>Total</u>		\$ 3,982,286

Accounts Receivable:

Operating and miscellaneous non-revenue	\$ 127,793	
Reimbursement jobs - Unbilled costs	<u>66,922</u>	
<u>Total</u>		194,715

Interfund Accounts Receivable:

General City and County departments and funds	\$ 72,110	
Public Service Enterprises	<u>211</u>	
<u>Total</u>		72,321

Deferred Charges and Other Assets:

Materials and supplies - Note 2	\$ 642,976	
Prepaid rental of leased equipment - Note 3	494,508	
Other deferred charges - Note 4	375,674	
Federal and other grants receivable	\$408,890	
Less: Reserve against unapproved grants	<u>296,024</u>	112,866
Commitments - Contra	<u>367,742</u>	
<u>Total</u>		<u>1,993,766</u>

<u>Total Assets</u>	<u>\$14,976,392</u>
---------------------	---------------------

JUNE 30, 1965

LIABILITIES AND SURPLUSBonded Debt:

Matured bonds not presented for payment	\$	2,200
---	----	-------

Bond Interest Payable:

Matured coupons not presented for payment		278
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Accounts Payable and Commitments:

Outstanding warrants and payroll deductions	\$1,566,419	
General creditors	381,357	
Commitments - Contra	<u>367,742</u>	
<u>Total</u>		\$ 2,315,518

Interfund Accounts Payable:

General City and County departments and funds	\$ 262,264	
Public Service Enterprises	<u>19,062</u>	
<u>Total</u>		281,326

Estimated Liabilities:

Accident claims - Note 5	\$4,134,271	
Employees' compensation claims	<u>565,000</u>	
<u>Total</u>		4,699,271

Surplus - Exhibit B

7,677,799Total Liabilities and Surplus\$14,976,392

SAN FRANCISCO MUNICIPAL RAILWAYEXHIBIT BSTATEMENT OF SURPLUSYEAR ENDED JUNE 30, 1965Contributed Surplus:

Balance - July 1, 1964 \$57,037,124

Contributions:

From City and County of San Francisco:

General Taxes

\$ 6,929,269

General Fund

292,500

Capital Improvement Fund

143,065

From Federal grants - H.H.F.A.

112,8667,477,700Balance - June 30, 1965

\$64,514,824

Deficit from Operations:

Balance - July 1, 1964

\$48,794,086

Net loss for year - Exhibit C

8,042,939Balance - June 30, 196556,837,025Surplus - June 30, 1965\$ 7,677,799

SAN FRANCISCO MUNICIPAL RAILWAYEXHIBIT CSTATEMENT OF OPERATIONSYEARS ENDED JUNE 30, 1965 AND 1964

	<u>1 9 6 5</u>	<u>1 9 6 4</u>
<u>Revenue:</u>		
Passenger	\$19,629,163	\$19,763,663
Advertising	191,769	219,926
Rents	14,293	15,140
Other	69,590	54,898
<u>Total Revenue</u>	<u>\$19,904,815</u>	<u>\$20,053,627</u>
<u>Expenses:</u>		
Maintenance and repairs:		
Ways and structures	\$ 1,016,910	\$ 901,878
Equipment	<u>2,942,220</u>	<u>2,677,240</u>
<u>Total</u>	<u>\$ 3,959,130</u>	<u>\$ 3,579,118</u>
Power	1,790,005	1,704,093
Conducting transportation	14,657,917	13,958,833
General and miscellaneous	4,031,617	4,001,447
Payroll taxes	<u>483,357</u>	<u>481,662</u>
<u>Total</u>	<u>\$24,922,026</u>	<u>\$23,725,153</u>
Provision for accident claims	1,668,479	1,679,911
Depreciation	756,239	995,768
Rent of leased equipment - Note 3	<u>667,048</u>	<u>902,363</u>
<u>Total Expenses</u>	<u>\$28,013,792</u>	<u>\$27,303,195</u>
<u>Net Operating Loss</u>	<u>\$ 8,108,977</u>	<u>\$ 7,249,568</u>
<u>Other (Income) and Expense:</u>		
Interest on bank balances	(\$ 63,868)	(\$ 58,855)
Net income from sale of fixed assets,		
scrap and sundry income	(4,045)	(5,579)
Interest on bonded debt	320	7,383
Net adjustment to prior years' operations	<u>1,555</u>	<u>92,714</u>
<u>Net Other (Income) or Expense</u>	<u>(\$ 66,038)</u>	<u>\$ 35,663</u>
<u>Net Loss - Exhibit B</u>	<u>\$ 8,042,939</u>	<u>\$ 7,285,231</u>

SAN FRANCISCO MUNICIPAL RAILWAYEXHIBIT DFUNDS STATEMENTYEAR ENDED JUNE 30, 1965Funds Provided By:

Contributions from City and County of San Francisco	\$7,364,834
From Federal grants approved	<u>112,866</u>
<u>Funds Provided by City and County of San Francisco and Federal Grants</u>	\$7,477,700
Reduction of accounts receivable	202,315
Net increase in interfund liabilities	78,191
Increase in accounts payable	436,754
Increase in estimated liabilities - Claims for accidents and employees' compensation	<u>246,084</u>
<u>Total Funds Provided</u>	<u>\$8,441,044</u>

Funds Used:

Net loss - Exhibit C	\$8,042,939
Less: Non cash charges to operations - Depreciation	<u>756,239</u>

Funds Applied to Net Loss \$7,286,700

Additions to fixed capital - Net of retirements	144,097
Redemption of bonded debt and interest payable	142,894
Increase in deferred charges and other assets	125,665
Net increase in cash	<u>741,688</u>

Total Funds Used \$8,441,044

SAN FRANCISCO MUNICIPAL RAILWAY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1965

Note 1 Exhibit A Fixed Capital:

Road and equipment purchased subsequent to June 30, 1938, is stated at cost, except the Market Street Extension which is stated at appraised value as of September 30, 1944. Property acquired prior to June 30, 1938 is stated at appraised value as of that date.

The charter of the City and County of San Francisco provides in Section 128 that there shall be an appraisal every five years of the estimated remaining life and the depreciated value of the property in order to ascertain reasonable annual depreciation. The last appraisal was at June 30, 1963.

Summary of Fixed Capital:

	Total	Ways and Structures	Equipment	Power
July 1, 1964	\$31,551,159	\$18,616,670	\$11,603,797	\$1,330,692
Additions	149,875	36,534	79,569	33,772
Retirements	(83,723)	(31,615)	(52,108)	
June 30, 1965	<u>\$31,617,311</u>	<u>\$18,621,589</u>	<u>\$11,631,258</u>	<u>\$1,364,464</u>

Accumulated Depreciation of Fixed Capital:

June 30, 1965	<u>\$22,884,007</u>	<u>\$11,484,917</u>	<u>\$10,456,787</u>	<u>\$ 942,303</u>
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Revenue Rolling Stock at June 30, 1965:

	Total	Streetcars	Motor Coaches	Cable Cars	Trolley Coaches
Owned	579	105	75	39	360
Leased	<u>450</u>		450		
Total	<u>1,029</u>				

Note 2 Exhibit A Materials and Supplies:

Materials and supplies are generally stated at the lower of average cost or estimated scrap or useful value. Cables in service are stated at a value based upon estimated remaining useful life. Transfers are valued at estimated cost.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

JUNE 30, 1965

Note 3 Exhibit A Prepaid Rental of Leased Equipment:

The balance of prepaid rental of leased equipment consisted of the following:

	<u>Amount</u>	<u>Number</u>
Motor Coaches	\$228,042	70
Fare boxes	259,120	880
Assorter heads	7,346	6
<u>Total</u>	<u>\$494,508</u>	

The above unamortized prepayments on the leased motor coaches are being expensed at a fixed rate per mile. The initial lease period on the above motor coaches will expire in June, 1966.

In addition to the above, 380 coaches are leased at an annual rate of \$1.00 per unit. These coaches have completed the guaranteed mileage under the terms of their respective lease agreements.

There are 880 fare boxes being leased under six, fifteen year leases. The oldest lease has eight and three quarter years to run and the most recent, thirteen years and ten months.

The assorter heads are leased on a nine year lease, three years of which remain unamortized.

Lease expenses charged to operations during the year are as follows:

Motor coaches	\$633,581
Fare boxes	30,899
Assorter heads	2,568
<u>Total</u>	<u>\$667,048</u>

Note 4 Exhibit A Other Deferred Charges:

This consists of the following items:

Expenditures in progress for reconstruction of railway facilities	\$219,512
Expenditures in progress for Northern California Transit Demonstration Project	146,983
Prepaid insurance	<u>9,179</u>
<u>Total</u>	<u>\$375,674</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)JUNE 30, 1965

Note 5 Exhibit A Estimated Liability - Accident Claims:

Transactions during the year ended June 30, 1965 are summarized as follows:

Estimated liability - July 1, 1964	\$3,888,187
Provision for accidents	<u>1,668,479</u>
	\$5,556,666
Claims paid	<u>1,422,395</u>
<u>Estimated Liability - June 30, 1965</u>	<u>\$4,134,271</u>

Provision for accident claims is based upon 8-1/2% of passenger revenue.

In the opinion of Railway personnel the balance is considered adequate to meet payments expected on claims unsettled at June 30, 1965.

SAN FRANCISCO MUNICIPAL RAILWAY

STATISTICS - OPERATIONS - NOTE A

YEARS AS INDICATED

Mileage traveled by type of equipment during the past two years is indicated in the following schedule.

Type of Equipment	Year Ended June 30		1 9 6 4		Mileage Increase (Decrease)
	1 9 6 5	Per Cent of Total	Mileage	Per Cent of Total	
Streetcars	3,476,384	13.17	3,493,443	13.16	(17,059)
Motor Coaches	14,398,371	54.56	14,442,319	54.39	(43,948)
Trolley Coaches	8,092,462	30.67	8,160,934	30.73	(68,472)
Cable Cars	421,607	1.60	456,860	1.72	(35,253)
	<u>26,388,824</u>	<u>100.00</u>	<u>26,553,556</u>	<u>100.00</u>	<u>(164,732)</u>

The following is a statement of operations expressed in cents per mile.

	Cents Per Mile		Increase (Decrease)
	Year Ended June 30 1965	1964	
<u>Operating Income:</u>			
Passenger revenue	74.38	74.43	(.05)
Advertising, rents, etc.	1.04	1.09	(.05)
<u>Total</u>	<u>75.42</u>	<u>75.52</u>	<u>(.10)</u>
<u>Operating Expenses:</u>			
Maintenance and repairs			
Ways and structures	3.85	3.40	.45
Equipment	11.15	10.08	1.07
Power	6.78	6.42	.36
Conducting transportations	55.54	52.57	2.97
General and miscellaneous	15.28	15.07	.21
Payroll taxes	1.83	1.81	.02
Provision for accident claims	6.32	6.32	-
Depreciation	2.87	3.75	(.88)
Rent of leased equipment	2.53	3.40	(.87)
<u>Total</u>	<u>106.15</u>	<u>102.82</u>	<u>3.33</u>
<u>Loss from Operations</u>	<u>30.73</u>	<u>27.30</u>	<u>3.43</u>

Note A This statistical data is presented without audit or verification.

Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1965

HOOD AND STRONG
CERTIFIED PUBLIC ACCOUNTANTS

100 Bush Street, San Francisco 4, Calif.

TELEPHONE SUTTER 1-0793

#8348 - 2257

September 23, 1965

THE HONORABLE HARRY D. ROSS, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your instructions, we have examined the balance sheet of the SAN FRANCISCO INTERNATIONAL AIRPORT as of June 30, 1965, and the related statements of income and surplus for the year ended on that date, and present our report, together with the following statements and supporting schedules:

COMPARATIVE BALANCE SHEET - JUNE 30, 1965 AND 1964

COMPARATIVE STATEMENT OF INCOME - YEARS ENDED

JUNE 30, 1965 AND 1964

COMPARATIVE STATEMENT OF SURPLUS - YEARS ENDED

JUNE 30, 1965 AND 1964

NOTES TO FINANCIAL STATEMENTS

ANALYSIS OF BALANCE SHEET:

PROPERTY, PLANT AND EQUIPMENT

SCHEDULE 1

ANALYSIS OF COMPARATIVE STATEMENT OF INCOME:

CONCESSIONS, SALES AND SERVICES

SCHEDULE 2

EXPENSES

SCHEDULE 3

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1965 and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Very truly yours,

Hood and Strong

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO INTERNATIONAL AIRPORT
COMPARATIVE BALANCE SHEET - JUNE 30, 1965 AND 1964

	JUNE 30, 1965		JUNE 30, 1964	
ASSETS				
PROPERTY, PLANT AND EQUIPMENT:				
Schedule 1, Note 1				
Land and easements	\$ 2,393,869		\$ 2,393,869	
Landplane port	79,051,658		77,322,406	
Equipment	793,619		782,509	
Seaplane port	<u>1,937,936</u>		<u>1,937,936</u>	
Total	\$84,177,082		\$82,436,720	
Less accumulated depreciation	<u>18,364,146</u>		<u>16,374,295</u>	
Depreciated value	\$65,812,936		\$66,062,425	
Construction work in progress	<u>10,373,999</u>	\$76,186,935	<u>5,021,146</u>	\$71,083,571
CASH:				
On deposit with Treasurer	\$ 8,842,821		\$12,429,158	
Revolving funds	<u>2,500</u>	8,845,321	<u>2,500</u>	\$12,431,658
ACCOUNTS RECEIVABLE:				
Rentals, concessions and other receivables	\$ 989,972		\$ 795,464	
Damage claims	<u>9,551</u>		<u>6,941</u>	
Less allowance for doubtful receivables	\$ 999,523		\$ 802,405	
	<u>2,581</u>	926,942	<u>67,793</u>	734,612
INTERFUND ACCOUNTS RECEIVABLE:				
Public service departments		6,518		3,628
OTHER ASSETS:				
Federal grants receivable:				
Subject to F. A. A. approval	\$ 1,199,012		\$ 2,439,164	
Less reserve against unapproved grants	<u>1,199,012</u>		<u>2,397,520</u>	
	-		\$ 41,644	
Material and supplies	\$ 18,189		18,725	
Prepaid expenses	35,248		32,597	
Commitments for materials and services not received (contra)	<u>2,813,222</u>	<u>2,866,659</u>	<u>5,073,604</u>	<u>5,166,570</u>
		\$88,832,375		\$89,420,039

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT
 COMPARATIVE BALANCE SHEET - JUNE 30, 1965 AND 1964

	JUNE 30, 1965		JUNE 30, 1964	
LIABILITIES				
BONDED DEBT: Note 2				
Maturing within one year	\$ 2,536,000		\$ 2,627,000	
Maturing subsequent to June 30, 1966 and 1965	<u>24,835,000</u>	\$27,371,000	<u>27,371,000</u>	\$29,998,000
BOND INTEREST PAYABLE:				
Matured coupons not yet presented for payment	\$ 3,633		\$ 3,042	
Accrued, due subsequent to June 30, 1965	<u>227,587</u>	231,220	<u>247,606</u>	250,648
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants outstanding	\$ 268,050		\$ 197,321	
Accounts payable	391,371		589,189	
Retained percentages due contractors	844,795		381,661	
Payroll deductions payable	41,982		18,588	
Commitments for materials and services not received (contra)	<u>2,813,222</u>	4,359,420	<u>5,073,604</u>	6,260,363
INTERFUND ACCOUNTS PAYABLE:				
General City departments and funds	\$ 76,645		\$ 81,727	
Other public service departments	<u>170,563</u>	247,208	<u>136,270</u>	217,997
RESERVES AND DEFERRED CREDITS:				
Prepaid revenue Note 3	\$ 314,520		\$ 270,892	
Deferred credits	<u>783</u>	315,303	<u>250</u>	271,142
SURPLUS				
	<u>56,308,224</u>		<u>52,421,889</u>	
	\$88,832,375		\$89,420,039	

The accompanying notes are an integral part of the financial statements.

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO INTERNATIONAL AIRPORT
COMPARATIVE STATEMENT OF INCOME
YEARS ENDED JUNE 30, 1965 AND 1964

	1965	1964
REVENUE:		
AVIATION ACTIVITIES:		
Air carrier flight operations	<u>\$2,025,232</u>	<u>\$1,782,815</u>
Rents:		
Aircraft outdoor storage	\$ 23,750	\$ 24,296
Paved and unimproved areas	259,435	244,325
Hangars	55,109	35,942
Office space-Passenger terminal building	1,827,564	1,450,786
-Air mail and cargo building	307,393	307,392
Other buildings and structures	<u>113,750</u>	<u>64,117</u>
	<u>\$2,587,001</u>	<u>\$2,126,858</u>
Aviation fuel and oil:		
Wharfage charges and tank farm rental	\$ 200,698	\$ 162,731
Delivery permits	<u>30,014</u>	<u>36,893</u>
	<u>\$ 230,712</u>	<u>\$ 199,624</u>
Total - Aviation activities	\$4,842,945	\$4,109,297
CONCESSIONS: Schedule 2	\$3,778,040	\$3,308,375
SALES AND SERVICES Schedule 2	<u>424,912</u>	<u>352,973</u>
TOTAL REVENUE	<u>\$9,045,897</u>	<u>\$7,770,645</u>
EXPENSES: Schedule 3		
Administrative expenses	\$1,152,037	\$1,133,617
Maintenance expenses	516,980	486,513
Operating expenses	<u>2,345,929</u>	<u>2,008,739</u>
Total expenses before depreciation	\$4,014,946	\$3,628,869
Depreciation	<u>2,013,916</u>	<u>1,386,384</u>
TOTAL EXPENSES	<u>\$6,028,862</u>	<u>\$5,015,253</u>
NET OPERATING INCOME	<u>\$3,017,035</u>	<u>\$2,755,392</u>
OTHER INCOME AND (EXPENSE):		
Miscellaneous claims and refunds	-	\$ 21,809
Net loss on sale or abandonment		
of fixed assets	(\$ 5,320)	(272,165)
Adjustment relating to prior year	<u>-</u>	<u>(70,566)</u>
Total	<u>(\$ 5,320)</u>	<u>(\$ 320,922)</u>
NET INCOME	<u>\$3,011,715</u>	<u>\$2,434,470</u>

	1965	1964
BALANCE - beginning of year	\$52,421,889	\$49,598,696
NET INCOME - per accompanying statement of income	3,011,715	2,434,470
CONTRIBUTIONS:		
Federal grants - F. A. A.	872,674	386,650
State of California - Special Aviation Fund	<u>1,946</u>	<u>2,073</u>
BALANCE - end of year	\$56,308,224	\$52,421,889

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1965

NOTE 1 - PROPERTY, PLANT AND EQUIPMENT:

(a) Fixed assets are stated substantially at cost to the Airport. As provided in Section 128 of the Charter of the City and County of San Francisco, an appraisal of property, plant and equipment is made at intervals of five years and includes an inspection of the properties as well as a review of the estimated remaining life and depreciated value of the assets in order to determine reasonable annual depreciation. The last completed appraisal was made as of June 30, 1963, and the depreciation charge for the current year in the amount of \$2,013,916 is based on rates established therein.

(b) Construction work in progress consists of contracts, many of which are in the preliminary and planning stages. Details of the major contracts underway as of the balance sheet date, are as follows:

	Expended to June 30, 1965	Additional Expenditures Required to Complete (Estimated)	Estimated Date of Completion
1962 Bond Fund:			
Contract # 331 - Parking facility	\$6,646,083	\$875,012	October 1965
1956 Bond Fund:			
Contract #354 - Central terminal alterations	866,924	366,591	December 1965
Airport Operating Fund:			
Contract #366 - Cargo building #4	166,399	111,528	October 1965
Contract #348 - Pier "FF"	-	692,590	April 1966

NOTE 2 - BONDED DEBT:

Details of the bonded debt of \$27,371,000, incurred upon the general faith and credit of the City and County of San Francisco, is given below.

	<u>Unmatured Balances at June 30, 1965</u>	
1945 AIRPORT BONDS:		
Series "F" September 1, 1950		
1-1/4%	\$	77,000
1949 AIRPORT BONDS:		
Series "A" September 1, 1950		
1-1/4%	\$	264,000
Series "B" June 1, 1951		
1-3/4%	<u>145,000</u>	409,000
1956 AIRPORT BONDS:		
Series "A" November 1, 1957		
3%	\$1,700,000	
Series "B" May 1, 1958		
2-1/4% to 2-1/2%	4,300,000	
Series "C" February 1, 1960		
3-1/4% to 3-1/2%	1,350,000	
Series "D" July 1, 1961		
2-1/2% to 3-1/4%	6,000,000	
Series "E" March 1, 1962		
2-1/4% to 3%	<u>4,235,000</u>	17,585,000
1962 AIRPORT BONDS:		
Series "A" April 1, 1963		
2% to 6%		<u>9,300,000</u>
Total		<u>\$27,371,000</u>

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the next five years follows:

Year Ending June 30	Amount
1966	\$ 2,536,000
1967	2,050,000
1968	2,600,000
1969	2,600,000
1970	<u>2,600,000</u>
	<u>\$12,386,000</u>

NOTE 3 - PREPAID REVENUE:

This item is comprised of the following:

	<u>To be Amortized</u>	
	<u>Within One Year</u>	<u>Beyond One Year</u>
Prepaid rentals	\$ 8,421	
Assigned value of buildings received in lieu of rent:		
Pan American World Airways	17,451	\$ 27,630
Tenant improvements:		
Pan American World Airways	47,800	\$161,979
Airborne Freight Corporation	2,027	
Pacific Southwest Airlines	<u>18,241</u>	46,415
	\$93,940	
Less, credit allowed Delta Airlines pending determination of Airport's share of improvements	<u>15,444</u>	<u> </u>
	<u>\$78,496</u>	<u>\$236,024</u>

Tenant improvements consist of land fill costs and building improvements incurred by the above lessees on Airport property. These costs are deductible by the lessee corporations from their monthly lease payments to the Airport over an agreed number of years. These amounts will be fully amortized prior to 1970.

In this connection, Delta Airlines made significant improvements to Airport property prior to February 1965. However, the division of the cost of these improvements between the airline and the Airport is still under negotiation. Pending determination of the cost of the improvements that the Airport will have to bear, Delta Airlines is currently permitted to deduct a portion of their monthly lease rental effective February 15, 1965.

NOTE 4 - CONTINGENT LIABILITIES - PENDING ITEMS:

As of June 30, 1965, the San Francisco International Airport was involved in a number of legal actions including two brought against the Airport claiming damages in the amount of \$3,333,333, based on the grounds of so-called "airport noise." In the opinion of the City Attorney, the ultimate liability, if any, which may result from these actions, will not be material in amount.

Major types of insurance risks are placed with independent insurance carriers; however, the Airport acts as self insurer against losses from workmen's compensation claims and certain other liability and property casualty losses.

NOTE 5 - PENSION PLAN:

The Airport participates in the City and County of San Francisco's compulsory contributory retirement plan. The annual charge to income for the plan approximates \$125,000.

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO INTERNATIONAL AIRPORT
ANALYSIS OF BALANCE SHEET
PROPERTY, PLANT AND EQUIPMENT
JUNE 30, 1965

Schedule 1

	Property, Plant and Equipment	Accumulated Depreciation
Land and easements:		
Land	\$ 2,106,967	
Easements	<u>286,902</u>	
Total land and easements	<u>\$ 2,393,869</u>	
Landplane port:		
Landing areas:		
Land reclamation and improvements	\$19,730,509	\$ 398,363
Field drainage	2,809,720	1,262,129
Drainage control	480,629	376,344
Runways, taxiways and aprons	16,913,901	4,888,256
Landing field lighting and marking	<u>1,261,474</u>	<u>631,350</u>
	<u>\$41,196,233</u>	<u>\$ 7,556,442</u>
Utilities, roads and parking areas:		
Roads, walks, parking areas, fences, etc.	\$ 4,102,496	\$ 1,362,482
Water supply system	932,570	300,548
Sewage system	556,515	187,350
Power supply and street lighting system	1,700,379	540,634
Telephone system, field areas	225,728	86,403
Gas supply system	28,494	18,641
Bridges and culverts	261,435	82,739
Landscaping	151,107	48,592
Miscellaneous items	8,997	2,176
Gasoline line and storage	<u>120,528</u>	<u>84,584</u>
	<u>\$ 8,088,249</u>	<u>\$ 2,714,149</u>
Buildings	<u>\$29,767,176</u>	<u>\$ 6,883,322</u>
Total landplane port	<u>\$79,051,658</u>	<u>\$17,153,913</u>
Equipment:		
Office furniture and appliances	\$ 166,784	\$ 88,543
Shop tools and building maintenance equipment	30,634	23,074
Fire fighting equipment	189,819	91,594
Motor driven equipment	163,579	119,443
Meteorological equipment	330	297
Drainage pumphouse equipment	58,893	30,891
Sewage pumphouse equipment	4,220	3,549
Other equipment	19,400	12,634
Radio equipment	152,124	39,331
Engineering equipment	<u>7,836</u>	<u>3,631</u>
Total equipment	<u>\$ 793,619</u>	<u>\$ 412,987</u>
Seaplane port:		
Landing areas	\$ 1,501,325	\$ 418,710
Utilities	313,516	280,493
Equipment and other	<u>123,095</u>	<u>98,043</u>
Total seaplane port	<u>\$ 1,937,936</u>	<u>\$ 797,246</u>
Grand total	<u>\$84,177,082</u>	<u>\$18,364,146</u>

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT
 ANALYSIS OF COMPARATIVE STATEMENT OF INCOME
 YEARS ENDED JUNE 30, 1965 AND 1964
 CONCESSIONS, SALES AND SERVICES

	1965	1964
CONCESSIONS:		
Restaurant, bar and allied services	\$ 707,547	\$ 590,483
News, tobacco and gift shops	214,328	193,329
Stores - miscellaneous retail	11,161	17,332
Hotel	127,908	107,450
Automobile renting	1,082,058	895,937
Limousine, taxi and bus	315,334	290,513
Automobile service station	41,103	38,646
Parking lots	1,011,805	930,260
Locker rentals	30,771	30,969
Telephone commissions	36,763	34,709
Rest rooms	28,740	26,923
Sale of petroleum products	94,022	78,174
Advertising	50,621	47,003
Others	<u>25,879</u>	<u>26,647</u>
Total	<u>\$3,778,040</u>	<u>\$3,308,375</u>

SALES AND SERVICES:

Electric energy - sales	\$837,668		
- cost of sales			
sales	<u>549,168</u>	\$ 288,500	\$ 257,830
Water - sales	\$110,918		
- cost of sales	<u>79,055</u>	31,863	16,406
Steam	20,739	6,867	
Sewage disposal	34,536	31,880	
Rental of airport automobiles	4,232	4,848	
Parking meters	40,124	33,322	
Miscellaneous	<u>4,918</u>	<u>1,820</u>	
Total	<u>\$ 424,912</u>	<u>\$ 352,973</u>	

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT
 ANALYSIS OF COMPARATIVE STATEMENT OF INCOME
 YEARS ENDED JUNE 30, 1965 AND 1964
 EXPENSES

	1965	1964
ADMINISTRATIVE EXPENSES:		
Salaries and wages	\$ 124,471	\$ 113,015
Pension, retirement and other additives	20,806	20,200
Insurance	44,427	43,175
Dues and subscriptions	4,190	4,049
Interest	519,334	506,748
Real estate taxes	\$278,032	
Less charges to tenants	<u>39,037</u>	
Employee transportation	238,995	229,403
Travel, conventions and conference	24,561	22,357
Printing, stationery and postage	6,902	5,261
Legal and professional services	2,479	4,661
P. U. C. general office expense	6,822	30,352
Miscellaneous contractual expenses	119,833	116,507
Bad debts	2,809	376
Telephone and telegraph	4,800	4,800
Other administrative expenses	26,967	25,983
	<u>4,641</u>	<u>5,730</u>
Total	<u>\$1,152,037</u>	<u>\$1,133,617</u>
MAINTENANCE EXPENSES:		
Salaries and wages	\$ 275,233	\$ 258,494
Pension, retirement and other additives	20,956	22,975
Maintenance - Airfield paved areas	24,691	18,027
- Radio and lighting equipment	11,951	16,530
- Buildings	73,812	58,523
- Drainage and sewer systems	10,252	11,128
- Electric power and water systems	11,124	5,208
- Automobile and other facilities	33,850	33,698
Operating supplies and materials	38,509	47,460
Purchasing department expense	<u>16,602</u>	<u>14,470</u>
Total	<u>\$ 516,980</u>	<u>\$ 486,513</u>
OPERATING EXPENSES:		
Salaries and wages	\$1,437,809	\$1,184,063
Pension, retirement and other additives	142,391	130,643
Fire department services	310,928	297,841
Services - Bureau of Engineering	148,477	170,291
Utilities	299,043	218,271
Refuse disposal	\$15,642	
Less charges to tenants	<u>8,821</u>	
Other operating expenses	6,821	7,077
	<u>460</u>	<u>553</u>
Total	<u>\$2,345,929</u>	<u>\$2,008,739</u>

San Francisco School Department
(A Unified School District)



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 1965

HAROLD T. HOERTKORN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

24 CALIFORNIA STREET
SAN FRANCISCO 11

HAROLD T. HOERTKORN, C. P. A.
ALVIN J. KOPP, C. P. A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

October 5, 1965

Honorable Harry D. Ross
Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your instructions, we have examined the accounts, records, and financial statements of the San Francisco Unified School District for the fiscal year ended June 30, 1965. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, based upon the scope of our examination described above, the accompanying Balance Sheets, Statement of Unappropriated Balance and Statement of Revenues and Expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1965 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

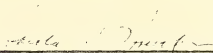
Financial Statements included herein are as follows:

- Exhibit "A" - Balance Sheet as of
June 30, 1965
- Schedule "A-1" - Balance Sheet of the
Capital Funds as of
June 30, 1965
- Schedule "A-2" - Balance Sheet of the
Other Funds as of
June 30, 1965
- Schedule "A-3" - Balance Sheet of the
Trust Funds as of
June 30, 1965

- Exhibit "B" - Statement of Unappropriated
Balance - Current Fund for
the Fiscal Year ended
June 30, 1965
 - Exhibit "C" - Current Fund - Comparative
Statement of Revenue and
Expenditures for the
Fiscal Years ended June 30,
1965 and 1964
 - Schedule "C-1" - Comparative Statement of
Current Fund Revenues for
the Fiscal Years ended
June 30, 1965 and 1964
- Notes to Financial Statements, June 30, 1965
- General Comments

Sincerely yours,

HAROLD T. HOERTKORN & CO.



Harold T. Hoertkorn
Certified Public Accountant

GENERAL COMMENTS - BALANCE SHEET - EXHIBIT "A"

CASH - \$16,560,930: Comprises the aggregate of School Fund Balances on deposit with the Treasurer, Cash Transfers Outstanding, Revolving Funds, together with the Bond Interest and Redemption Funds, applicable to School Bonds issued by the City and County of San Francisco.

An analysis of the cash balances at June 30, 1965, is as follows:

Balances on Deposit with Treasurer:		
Current Fund (Exhibit "A")		\$ 9,426,427
Capital Funds: (Exhibit "A")		
1948 School Bond Fund	\$ 45,026	
1956 School Bond Fund	1,239,823	
1964 School Bond Fund	2,499,170	
Real Property Fund	<u>198,522</u>	3,982,541
Special Funds: (Schedule "A-1")		
Child Care Centers	\$ 182,166	
School Cafeterias	682,909	
Special Reserve	952,337	
Balances in the Bond Interest and Redemption Funds of the City and County of San Francisco	<u>6,221</u>	1,823,633
Trust Funds: (Schedule "A-2")		
Withholding Tax	\$ 570,851	
Teacher's Annuity	24,283	
Teachers' Retirement	21,420	
Miranda Lux Foundation	33,023	
George and Ellen Booth Memorial	1,500	
Ann Steinberg Trust	144	
George Wilson Meyer Collection	6,492	
Veterans' Education	55	
Nell V. O'Connell	<u>10,957</u>	668,725
Cash Transfers Outstanding (Exhibit "A")		640,604
Revolving Funds: (Exhibit "A")		
School District	\$ 15,000	
Cafeteria	<u>4,000</u>	<u>19,000</u>

TOTAL CASH - June 30, 1965 \$16,560,930

Balances on deposit with the Treasurer are the balances of the various funds shown on the accounts of the Treasurer. Warrants drawn before July 1, 1965, but not presented to the Treasurer for payment before July 1, 1965, are shown as liabilities of the various funds in Exhibit "A".

Cash transfers outstanding represent the aggregate of amounts in transfers between the various funds and were recorded as completed transactions on the school District ledger as of June 30, 1965, but the transfers were recorded in the accounts of the Treasurer after that date.

ACCOUNTS RECEIVABLE: \$3,070,280, represent amounts due to the Current Fund and Special Funds of the School District at June 30, 1965, as follows:

Current Funds:

Delinquent Taxes and Penalties	\$1,513,157	
<u>Less:</u> Reserve for Unsecured		
Taxes	<u>890,245</u>	\$ 622,912

Other Accounts Receivable:

Tuition due from other		
Counties and Districts -		
Amount due, but not billed		
at June 30, 1965	\$ 168,559	
Federal subvention under		
Manpower Development and		
Training Act	1,230,728	
Federal subvention for aid		
to local education - estimated	300,000	
Federal subvention for vocational		
education	245,798	
Federal Aid under National		
Defense program	27,067	
Federal Aid for Veterans	6,840	
Disputed Salary Payments of		
prior years, recoverable at		
termination of employment	3,046	
Miscellaneous	<u>6,392</u>	1,988,430

Special Reserve:

Federal subventions Receivable		
Under Public Law 88-452	\$ 302,083	
Under Public Law 87-415	<u>75,869</u>	377,952

Child Care Center:

Delinquent Taxes and Penalties	\$ 9,674	
<u>Less:</u> Reserve for Unsecured		
Taxes	<u>4,896</u>	
	\$ 4,778	
Federal Grants	2,100	
Other	<u>762</u>	7,640

ACCOUNTS RECEIVABLE: \$3,070,280, Continued

Balance Brought Forward \$2,996,934

School Cafeterias:

Federal Grant	\$ 54,870	
Miscellaneous	<u>18,476</u>	<u>73,346</u>

TOTAL ACCOUNTS RECEIVABLE -
June 30, 1965 \$3,070,280

Secured Taxes and Penalties have been recorded as assets and have been credited to income when assessed. All other Accounts Receivables have been recorded as assets, but have been offset by deferred credits and will be taken into income when received.

INVENTORY - STORES - AT COST: \$528,206, comprises unissued supplies, furniture and equipment stored in various warehouses. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1964, January 31, 1965, February 28, 1965, and March 31, 1965. The general ledger accounts were nominally adjusted to agree with the physical inventories.

INVENTORY - SHOP - AT COST: \$39,855, comprises the following:

Refinished Furniture, not reissued	\$ 3,680
Shop orders in process of completion	852
Materials and Supplies	<u>35,323</u>

Total Inventory - Shop - June 30, 1965 \$39,855

INVENTORY - CAFETERIA: \$71,875, represents a physical inventory at cost of food and other supplies. Verification was made of the method of pricing, arithmetical extensions and inventory count procedures.

OTHER SUPPLIES AND EXPENSE: \$331,750, comprises the following:

General Fund:

Miscellaneous prepayments of expenses representing transfer of supplies to individual schools for ensuing school year	\$323,833
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Child Care Fund:

Similar Miscellaneous Prepayments	<u>7,917</u>
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\$331,750

FIXED CAPITAL PROPERTIES: \$145,658,993, is the aggregate recorded valuation of land, buildings, improvements and equipment as shown by the Controller's records as of June 30, 1965. Net additions during the fiscal year ended June 30, 1965, and the accumulated ledger values are summarized as follows:

	<u>Total</u>	<u>Land</u>	<u>Buildings & Improvements</u>	<u>Equipment</u>
<u>Additions Per School District Records:</u>				
1948 School Bond Fund	\$ 55,082	\$ -	\$ 55,082	\$ -
1956 School Bond Fund	809,981	-	812,919	(2,938)
1964 School Bond Fund	830	-	830	-
Real Property Fund	218,586	-	193,038	25,548
Current Fund	617,821	4,371	-	613,450
Special Reserve Fund	561,102	-	441,720	119,382
Child Care Centers Fund	1,888	-	-	1,888
Trust Funds	<u>1,748</u>	<u>-</u>	<u>-</u>	<u>1,748</u>
Total Additions	\$ 2,267,038	\$ 4,371	\$ 1,503,589	\$ 759,078
<u>Deductions:</u>				
Net Reduction due to Properties sold or otherwise disposed of	\$ <u>32,940</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>32,940</u>
	\$ 2,234,098	\$ 4,371	\$ 1,503,589	\$ 726,138
Prior Years Adjustment	<u>1,441</u>	<u>1,441</u>	<u>-</u>	<u>-</u>
Net additions per Controller's records for the fiscal year ended June 30, 1965	\$ 2,235,539	\$ 5,812	\$ 1,503,589	\$ 726,138
<u>Additions:</u>				
Accumulated ledger values at July 1, 1964	<u>143,423,454</u>	<u>14,857,704</u>	<u>113,830,161</u>	<u>14,735,589</u>
TOTALS - JUNE 30, 1965 (Per Controller's Records - Exhibit "A-1")	<u>\$145,658,993</u>	<u>\$14,863,516</u>	<u>\$115,333,750</u>	<u>\$15,461,727</u>

At June 30, 1965, Fire and General Coverage Insurance in force on the School District Properties was \$183,977,210.

BOND INTEREST PAYABLE AND ACCRUED: \$216,404 represents:

Matured coupons - not presented by Bondholders	\$ 5,221
Interest accrued - not due at June 30, 1965	<u>211,183</u>
Total	<u>\$216,404</u>

Interest on the School Bonds is not recorded on the ledger of the Unified School District because the School Bonds and Interest shown thereon are a general obligation of the City and County of San Francisco. This practice is consistent with prior years, where the bonds and interest are part of the Balance Sheet, Exhibit "A", as the obligations were incurred for acquisition of Fixed Properties of the School District. The interest accrued of \$211,183, but not due as of June 30, 1965, is recorded as a deferred charge at June 30, 1965.

BONDED DEBT: \$29,276,000, is the aggregate of School Bonds outstanding at June 30, 1965, after considering the sales and redemption during the fiscal year ended June 30, 1965, as shown by the Controllers' records, as follows:

	<u>Interest Rate</u>	<u>July 1, 1964</u>	<u>Sold</u>	<u>Redeemed</u>	<u>Balance June 30, 1965</u>
<u>AUTHORIZED & ISSUED</u>					
March 1, 1923	5.00%	\$ 901,000		\$ 300,000	\$ 601,000*
<u>AUTHORIZED IN 1948:</u>					
<u>Issued:</u>					
Apr. 1, 1951-B	1.75%	1,540,000		770,000	770,000
Mar. 1, 1952-C	1.50%	2,670,000		890,000	1,780,000
Dec. 1, 1952-D	1.75%	4,475,000		1,115,000	3,360,000
Aug. 1, 1953-E	2.50%	1,600,000		320,000	1,280,000
Mar. 1, 1954-F	1.50%	600,000		200,000	400,000
Mar. 1, 1954-F	1.75%	400,000		-	400,000
Apr. 1, 1955-G	1.75%	2,065,000		345,000	1,720,000
Apr. 1, 1957-H	2.50%	535,000		65,000	470,000
<u>AUTHORIZED IN 1956:</u>					
<u>Issued:</u>					
Nov. 1, 1957-A	3.00%	3,600,000		400,000	3,200,000
Dec. 1, 1958-B	2.75%	750,000		250,000	500,000
Dec. 1, 1958-B	3.00%	500,000		-	500,000
Dec. 1, 1958-B	3.00%	1,225,000		-	1,225,000
June 1, 1959-C	3.00%	60,000		60,000	-
June 1, 1959-C	3.25%	540,000		-	540,000
Feb. 1, 1960-D	3.50%	930,000		-	930,000
Feb. 1, 1960-D	3.25%	2,510,000		315,000	2,195,000
Oct. 1, 1960-E	2.25%	670,000		335,000	335,000
Oct. 1, 1960-E	2.50%	1,005,000		-	1,005,000
Oct. 1, 1960-E	2.75%	670,000		-	670,000
Oct. 1, 1960-E	3.00%	1,650,000		-	1,650,000
July 1, 1961-F	2.50%	840,000		170,000	670,000
July 1, 1961-F	2.75%	330,000		-	330,000
July 1, 1961-F	3.00%	495,000		-	495,000
July 1, 1961-F	3.25%	495,000		-	495,000
Mar. 1, 1962-G	2.25%	560,000		140,000	420,000
Mar. 1, 1962-G	2.50%	280,000		-	280,000
Mar. 1, 1962-G	2.75%	700,000		-	700,000
Mar. 1, 1962-G	3.00%	280,000		-	280,000
Nov. 1, 1964-H	5.00%	-	\$ 280,000	-	280,000
Nov. 1, 1964-H	2-3/4%	-	140,000	-	140,000
Nov. 1, 1964-H	2-1/2%	-	280,000	-	280,000
Nov. 1, 1964-H	2-3/4%	-	700,000	-	700,000
Nov. 1, 1964-H	3.00%	-	675,000	-	675,000
		<u>\$32,876,000</u>	<u>\$2,075,000</u>	<u>\$5,675,000</u>	<u>\$29,276,000</u>

*Includes \$1,000 matured but unpaid as of June 30, 1965.

REVENUES AND EXPENDITURES

A Comparative Statement of Revenues and Expenditures of the Current Fund for the fiscal year ended June 30, 1965, and June 30, 1964, is presented in Exhibit "C" and Schedule "C-1". The following is a summary of the Comparative Statements:

	June 30, <u>1965</u>	June 30, <u>1964</u>	Increase (Decrease)
Property Taxes and Penalties*	\$42,959,856	\$40,391,220	\$2,568,636
State of California -			
School Fund Apportionment	15,383,560	15,107,106	276,454
Retirement Subventions	1,929,833	1,771,847	157,986
Other Revenues	<u>2,581,623</u>	<u>2,316,558</u>	<u>265,065</u>
Total Revenues - Schedule "C-1"	\$62,854,872	\$59,586,731	\$3,268,141
<u>Less:</u> Total Operating Expenses	<u>62,138,092</u>	<u>58,260,434</u>	<u>3,877,658</u>
Balance	\$ 716,780	\$ 1,326,297	\$ (609,517)
<u>Less:</u> Net Capital Outlays from Current Funds (Per Exhibit "C")	<u>617,821</u>	<u>708,556</u>	<u>(90,735)</u>
Excess of Revenue Over Expenditures	\$ 98,959	\$ 617,741	\$ (518,782)

*The School District Tax Rates for the General Fund and assessed valuations for the tax years 1963-64 and 1964-65 were as follows:

	Tax Rate	<u>Assessed Valuation</u>	
		<u>Secured Roll</u>	<u>Unsecured Roll</u>
1963-64	\$2.5664	\$1,279,292,511	\$300,439,033
1964-65	2.610678	1,326,453,920	314,609,954

The tax rate of \$2.610678 for the fiscal year meets the requirements of eligibility under Education Code Section 20751 as amended in 1964. Previously on June 3, 1958 in a Special School District Tax Election, the voters approved a rate not to exceed \$2.50 for a period of future years.

Revenues from the State School Fund comprises apportionments based upon the average daily attendance, various excess expenses of the educating of handicapped children, mentally gifted minors and for automobile drive training. The Revenue from the State relating to these matters for the fiscal year ended June 30, 1965, was as follows:

	<u>Totals</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Average daily attendance - residents - See Notes 1 and 2	108,570	64,911	35,587	8,072
\$125.00 per Pupil	<u>\$13,568,897</u>	<u>\$8,113,875</u>	<u>\$4,421,950</u>	<u>\$1,033,072</u>
<u>Apportionment for Excess Expense of educating handicapped children</u>				
Physically handicapped -				
Average daily attendance	718	535	183	
Extra Expense	\$ 655,917	\$ 488,740	\$ 167,177	
Mentally Retarded -				
Average daily attendance	1,422	864	558	
Extra Expense	\$ 533,625	\$ 324,228	\$ 209,397	
Severely Mentally Retarded -				
Average daily attendance	133	133		
Extra Expense	\$ 89,110	\$ 89,110		
Transportation Expense of certain handicapped children -				
Average daily attendance	577	577		
Extra Expense	\$ 197,461	\$ 197,461		
Educationally handicapped -				
Average daily attendance	37	32	5	
Extra Expense	<u>\$ 17,125</u>	<u>\$ 14,811</u>	<u>\$ 2,314</u>	
Total for Handicapped Children	<u>\$ 1,493,238</u>	<u>\$ 1,114,350</u>	<u>\$ 378,888</u>	
Apportionment for Special program for Mentally Gifted	<u>\$ 104,300</u>	<u>\$ 104,300</u>	<u>\$ -</u>	
Automobile Driver Training -				
Number of Pupils Trained	4,105		4,105	
Apportionment	<u>\$ 184,725</u>	<u>\$ -</u>	<u>\$ 184,725</u>	
Total	<u><u>\$15,351,160</u></u>	<u><u>\$9,332,525</u></u>	<u><u>\$4,985,563</u></u>	<u><u>\$1,033,072</u></u>

Explanatory Notes:

- 1) Attendance and apportionment data applicable to evening schools and the continuation school are included under high schools.
- 2) Average daily attendance for the previous year was the primary basis for apportionment in the current year. The average daily attendance listed is that of the year ended June 30, 1964 with the exception of City College which represents current attendance.

A comparison of the average daily attendance for the past three years follows:

	<u>1964-65</u>	<u>1963-64</u>	<u>1962-63</u>
Elementary Schools	63,503	64,911	65,836
High Schools	36,466	35,587	33,318
City College	<u>8,072</u>	<u>7,705</u>	<u>6,990</u>
Totals	<u>108,041</u>	<u>108,203</u>	<u>106,144</u>

We examined the reports submitted to the State Department of Education as a basis for the State Apportionment for the fiscal year 1964-65 and have tested the records in support thereof to state that in our opinion they fairly represented the average daily attendance during the fiscal year ended June 30, 1965. Attendance records at representative elementary, Junior High School, High School and City College were examined and audited.

The average daily attendance during the fiscal year ended June 30, 1965 will be the basis for apportionment for the fiscal year ending June 30, 1966 with the exception of City College which will be based on current attendance.

	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Total average daily attendance	108,041	63,503	36,466	8,072
Handicapped Children				
Physically Handicapped	687	512	175	
Mentally Retarded	1,421	870	551	
Severely Mentally Retarded	137	137	-	
Requiring Special Transportation	462	462	-	
Educationally Handicapped	144	121	23	
Automobile driver training, number of pupils trained	4,552	-	4,552	

CHILD CARE CENTERS

Twenty-five Child Care Centers were operated during the fiscal year ended June 30, 1965 with a total enrollment of 1,371 children at June 30, 1965. The average daily attendance during the fiscal year ended June 30, 1965 was 1,454. The total hours of child attendance for the years ended June 30, 1965 and June 30, 1964 follows:

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1965</u>	<u>June 30, 1964</u>	<u>(Decrease)</u>
Hours of Attendance:			
Nursery (under 5 years, 9 months)	1,224,544	1,226,401	(1,857)
School Age (Over 5 years, 9 months)	<u>1,074,766</u>	<u>1,121,820</u>	<u>(47,054)</u>
Total Hours of Attendance	<u>2,299,310</u>	<u>2,348,221</u>	<u>(48,911)</u>

A comparative statement of Revenue and Expenditures of Child Care Centers for the fiscal years ended June 30, 1965 and June 30, 1964 follows:

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1965</u>	<u>June 30, 1964</u>	<u>(Decrease)</u>
<u>REVENUES:</u>			
State Apportionment	\$ 589,607	\$ 573,835	\$ 15,772
Fees from Parents	469,922	435,140	34,782
District Taxes	393,603	370,079	23,524
Transfers from General Fund	68,600	72,312	(3,712)
Federal Grants	11,478	9,200	2,278
Miscellaneous	<u>1,887</u>	<u>-</u>	<u>1,887</u>
Total Revenues	<u>\$1,535,097</u>	<u>\$1,460,566</u>	<u>\$ 74,531</u>
<u>EXPENDITURES:</u>			
Administration	\$ 90,194	\$ 88,167	\$ 2,027
Instruction	926,475	819,330	107,145
Auxiliary Services	15,032	18,760	(3,728)
Operation	214,602	189,183	25,419
Maintenance	35,731	31,567	4,164
Fixed Charges	84,340	87,200	(2,860)
Food	193,398	191,918	1,480
Capital Outlay	<u>1,888</u>	<u>379</u>	<u>1,509</u>
Total Expenditures	<u>\$1,561,660</u>	<u>\$1,426,504</u>	<u>\$135,156</u>
Excess of Revenue over Expenditures	<u>\$ (26,563)</u>	<u>\$ 34,062</u>	<u>\$ (60,625)</u>

COUNTY SCHOOL SERVICE FUND

The Revenue and Expenditures of the County School Service Fund for the year ended June 30, 1965 were as follows:

Revenue:

From State Apportionment	\$174,569	
From San Francisco Unified School District	<u>113,403</u>	
Total Revenue		\$287,972

Expenditures:

Office of County Superintendent of Schools	\$ 12,997	
Projects	31,119	
Audio-Visual Education	226,806	
Library Service	7,000	
Retirement Contribution	6,886	
Special Administrative Expenses	2,191	
Teachers' Institute	<u>973</u>	
Total Expenditures		\$287,972

CAFETERIAS

46 complete cafeterias units and 29 branch cafeteria units, which were serviced from the kitchens of complete units, were operated by the School District during the fiscal year ended June 30, 1965. A comparative statement of income and expenditures of the School cafeteria for the fiscal years ended June 30, 1965 and June 30, 1964 is as follows:

	<u>Fiscal Years ended</u>		<u>Increase (Decrease)</u>
	<u>June 30, 1965</u>	<u>June 30, 1964</u>	
<u>Revenues:</u>			
Sales - Cafeterias	\$1,981,036	\$1,874,022	\$107,014
Sales - Mid-morning Lunches	136,859	136,897	(38)
Federal Grants	<u>311,191</u>	<u>317,497</u>	<u>(6,306)</u>
Total Revenues	<u>\$2,429,086</u>	<u>\$2,328,416</u>	<u>\$100,670</u>
<u>Expenditures:</u>			
Cost of Food	\$1,368,497	\$1,380,898	\$(12,401)
Salaries	726,006	669,411	56,595
Meals for Student Help	23,609	24,354	(745)
Supplies and Expenses	84,841	74,198	10,643
Provision for Sick Leave and Vacations	<u>181,964</u>	<u>113,744</u>	<u>68,220</u>
Total Expenditures	<u>\$2,384,917</u>	<u>\$2,262,605</u>	<u>\$122,312</u>
Excess of Revenue over Expenditures	<u>\$ 44,169</u>	<u>\$ 65,811</u>	<u>\$(21,642)</u>

ACADEMIC ATHLETIC ASSOCIATION

Receipts and Disbursements of this student body activity during the fiscal year ended June 30, 1965 are as follows:

Cash available - July 1, 1964 \$ 5,333

Add: Receipts:

Admission Fees	\$40,267	
Miscellaneous	<u>324</u>	<u>40,591</u>

\$45,924

Less: Expenses in Connection with Activities:

Football	\$19,446	
Basket Ball	11,432	
Swimming	1,171	
Track	2,622	
Baseball	3,031	
Soccer	387	
Tennis and Golf	64	
Miscellaneous	<u>944</u>	<u>39,097</u>

\$ 6,827

Less: Distributions to Schools 1,761

Balance - June 30, 1965 - In Trust \$ 5,066

The balance of this fund at June 30, 1965 is deemed to be held in trust for the schools participating in the Academic Athletic Association.

STUDENT BODY FUNDS

The student body funds and accounting records of the funds are maintained at the schools and are subject to internal audit at regular intervals by the School District Administrative Office. We reviewed the audit program and working papers of Audits made during the fiscal year and find them to be adequate.

The student body funds include Medal Funds which were established in the years 1879 through 1906 with the purpose of awarding medals to worthy students. There has been no activity in these funds for over thirty years. These funds and respective balances as of June 30, 1965 are as follows:

Bridge Silver Medal Fund	\$7,679.89
Hancock Grammar School Medal Fund	453.93
Lincoln School Medal Fund	2,326.95

These funds are dormant and merely accumulating interest. We recommend that the School District take appropriate action to utilize these funds for a worthy purpose.

NATIONAL DEFENSE STUDENT LOAN PROGRAM

An interim audit was made as of April 30, 1965 of student loans at City College of San Francisco under the National Defense Education Act of 1958. A detailed examination was made of all students loans and supporting documents which was sufficient in our opinion to insure the accuracy of all accounts. All records and procedures were current and in agreement with sound accounting principles.

MIRANDA LUX FOUNDATION TRUST FUND

The transactions in this fund during the fiscal year ended June 30, 1965 are summarized as follows:

Balance - July 1, 1964		\$21,526
<u>Add:</u>	Receipts - See Note*	<u>13,000</u>
		\$34,526
<u>Less:</u>	<u>Expenditures:</u>	
	Equipment purchased	\$1,253
	Supplies and Other Expenses	<u>1,924</u>
		<u>3,177</u>
Balance - June 30, 1965		<u>\$31,349</u>

The above balance consists of the following:

Cash on Deposit with the Treasurer	\$33,023
<u>Less:</u>	<u>Accounts Payable</u>
	<u>1,674</u>
Balance - June 30, 1965 - Per Schedule "A-2"	<u>\$31,349</u>

*Receipts during the fiscal year consisted of a \$8,000 grant for a horticulture program at Balboa High School and \$5,000 for the biochemical laboratory at Galileo High School.

NELL V. O'CONNELL TRUST FUND

This fund represents a trust created by Nell V. O'Connell to be used for the organization and development of an athletic program for students of John A. O'Connell Vocation and Technical Institute.

The transactions in this fund during the fiscal year ended June 30, 1965 are summarized as follows:

Cash on Deposit with Treasure - July 1, 1964	\$ 9,324
<u>Add:</u> Receipts	<u>3,025</u>
	\$12,349
<u>Less:</u> <u>Expenditures:</u> Athletic Supplies	<u>1,392</u>
Cash on Deposit with Treasurer - June 30, 1965	\$10,957
	<u> </u>

As of June 30, 1965 this fund consisted of the following:

Cash on Deposit with Treasurer	\$10,957	
<u>Less:</u> Outstanding Warrants	<u>364</u>	\$10,593
Assets held by the Crocker-Citizens National Bank, as Trustee, under terms of the San Francisco Unified School District:		
3,187 Units Common Trust Fund Series "A"	\$32,494	
5,342 Units Common Trust Fund Series "B"	32,505	
Cash on Deposit	<u>246</u>	<u>65,245</u>
		\$75,838
<u>Less:</u> Encumbrances		<u>987</u>
Balance - June 30, 1965 - Per Schedule "A-2"		\$74,851
		<u> </u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BALANCE SHEET AS OF JUNE 30, 1965

A S S E T SCash:

On Deposit with Treasurer
Cash Transfers Outstanding
Revolving Funds

Total	Current Fund	Capital* Funds	Special** Funds	Trust*** Funds
\$ 15,901,326	\$ 9,426,427	\$ 3,982,541	\$ 1,823,633	\$ 668,725
640,604				640,604
19,000	15,000		4,000	
<u>\$ 16,560,930</u>	<u>\$ 9,441,427</u>	<u>\$ 3,982,541</u>	<u>\$ 1,827,633</u>	<u>\$ 1,309,329</u>

Total CashAccounts Receivable:

Delinquent Taxes and Penalties
Less: Reserve for Unsecured
Property Taxes

\$ 1,522,831	\$ 1,513,157		\$ 9,674	
895,141	890,245		4,896	

Other Accounts and Subventions (Contra)Accounts Receivable - Net

\$ 627,690	\$ 622,912		\$ 4,778	
2,442,590	1,988,430		434,160	

Inter-Fund Accounts

\$ 3,070,280	\$ 2,611,342		\$ 458,938	
\$ 251,999	\$ 180,712	\$ 168	\$ 71,119	

Provision for Payment of Bonds

\$ 29,275,000		\$ 29,275,000		
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Inventories and Deferred Charges:

Stores at Cost
Supplies Inventory
Cafeteria Inventory
Unexpired Insurance
Other Supplies and Expense
Bond Interest Accrued
Uncompleted Contracts and Purchase Orders (Contra)

\$ 528,206	\$ 528,206			
39,855	39,855			
71,825	71,825		\$ 71,875	
8,661	8,661			
331,790	323,833		7,917	
211,183	211,183		211,183	
920,327	899,071		21,256	

Total Inventories and Deferred Charges

\$ 2,111,857	\$ 1,799,626		\$ 312,231	
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Other Assets

\$ 65,245				\$ 65,245
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Unsold Bonds

\$ 31,465,000		\$ 31,465,000		
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Fixed Capital Properties (See Note 1)

\$145,658,993		\$145,658,993		
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TOTAL ASSETS

\$228,459,304	\$14,033,107	\$210,381,702	\$2,669,921	\$1,374,574
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LIABILITIES, RESERVES AND UNAPPORTIONED BALANCES

<u>Bond Interest Payable and Accrued</u> (See Note 1)	<u>Total</u>	<u>Current Fund</u>	<u>Capital* Funds</u>	<u>Special** Funds</u>	<u>Trust*** Funds</u>
	\$ 216,404			\$ 216,404	
<u>Accounts Payable and Commitments:</u>					
Warrants and Payroll Deductions					
Outstanding	\$ 4,707,067	\$ 4,571,414	\$ 13,533	\$ 121,635	\$ 485
Accounts Payable - Materials and Services	4,864,784	1,384,025	2,197,264	23,744	1,259,751
Uncompleted Contracts and Purchase Orders (Ontra)	<u>1,057,593</u>	<u>899,071</u>		<u>158,522</u>	
Total Accounts Payable and Commitments	\$ 10,629,444	\$ 6,854,510	\$ 2,210,797	\$ 303,901	\$ 1,260,236
<u>Inter-Agency Accounts:</u>					
Department of Public Works					
Other Agencies	\$ 1,214,788	\$ 500,208	\$ 413,120	\$ 301,460	
	<u>2,882,248</u>	<u>308,337</u>	<u>2,503,100</u>	<u>70,811</u>	
Total Inter-Agency Accounts	\$ 4,097,036	\$ 808,545	\$ 2,916,220	\$ 372,271	
<u>Inter-Fund Accounts</u>					
Bonded Debt (See Note 1)	\$ 231,999	\$ 68,600		\$ 183,399	
	<u>\$ 29,276,000</u>		<u>\$ 29,275,000</u>	<u>\$ 1,000</u>	
<u>Reserves:</u>					
Tuition due from Other Counties	\$ 168,559	\$ 168,559			
Prepaid Expenses	323,833	323,833			
Revolving Fund	19,000	15,000		\$ 4,000	
Inventories	639,936	368,061		71,875	
Accounts Receivable	236,629	236,629			
Miscellaneous	<u>26,578</u>	<u>8,661</u>		<u>17,917</u>	
Total Reserves	\$ 1,414,535	\$ 1,320,743		\$ 93,792	
<u>Deferred Credits</u>	\$ 1,672,788	\$ 1,257,402		\$ 415,386	
<u>Investment in Fixed Assets</u>	<u>\$145,658,993</u>		<u>\$145,658,993</u>		
<u>Unencumbered Appropriation</u>	\$ 30,750,395	\$ 80,371	\$ 30,238,012	\$ 432,012	
<u>Unappropriated Balances</u>	<u>\$ 4,491,710</u>	<u>\$ 3,642,936</u>	<u>\$ 82,680</u>	<u>\$ 651,756</u>	<u>\$ 114,338</u>
TOTAL LIABILITIES	\$228,459,304	\$14,033,107	\$210,381,702	\$2,669,921	\$1,374,574

* Details of the Various Funds are shown on Schedule "A-1"

** Details of the Various Funds are shown on Schedule "A-2"

*** Details of the Various Funds are shown on Schedule "A-3"

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

ANALYSIS OF CAPITAL FUNDS

JUNE 30, 1965

	Total	1948 School Bond Funds	1956 School Bond Funds	1964 School Bond Funds	Real Property Fund	Fixed Assets	Bonded Debt
Assets:							
Cash on Deposit with Treasurer	\$ 3,982,541	\$45,026	\$1,239,823	\$ 2,499,170	\$198,522		
Due from Other Funds	168		168				
Provision for Payment of Bonds	29,275,000						\$29,275,000
Unsold Bonds	31,465,000			31,465,000			
Fixed Capital Properties	145,658,993					\$145,658,993	
Total	\$210,381,702	\$45,026	\$1,239,991	\$33,964,170	\$198,522	\$145,658,993	\$29,275,000
Liabilities, Reserves and Unappropriated Balances:							
Accounts Payable and Commitments:							
Warrants Outstanding	\$ 13,533		\$ 13,533				
Accounts Payable - Materials and Service	2,197,264		488,050	\$ 1,611,761	\$ 97,453		
Total Accounts Payable and Commitments	\$ 2,210,797		\$ 501,583	\$ 1,611,761	\$ 97,453		
Inter-Agency Accounts:							
Department of Public Works	\$ 413,120	\$ 4,766	\$ 332,404	\$ 63,950	\$ 12,000		
Other Agencies	2,503,100		1,100	2,502,000			
Total Inter-Agency Accounts	\$ 2,916,220	\$ 4,766	\$ 333,504	\$ 2,565,950	\$ 12,000		
Bonded Debt	\$ 29,275,000						\$29,275,000
Investment in Fixed Assets	145,658,993					\$145,658,993	
Unencumbered Appropriation	30,238,012		\$ 401,702	\$29,786,459	\$ 49,851		
Unappropriated Balance	82,680	\$40,260	3,202		39,218		
TOTAL	\$210,381,702	\$45,026	\$1,239,991	\$33,964,170	\$198,522	\$145,658,993	\$29,275,000

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BALANCE SHEET OF SPECIAL FUNDS
AS OF JUNE 30, 1965

A S S E T S	Totals	Special Reserve	Child Care Centers	School Cafeterias	Bond Interest - and Redemption - Note 1
					1923 1948 1956
Cash:					
On Deposit with Treasurer	\$1,823,633	\$ 952,337	\$182,166	\$682,909	\$ 1,725 \$ 745 \$ 3,751
Revolving Funds	4,000			4,000	
Total Cash	\$1,827,633	\$ 952,337	\$182,166	\$686,909	\$ 1,725 \$ 745 \$ 3,751
Accounts Receivable:					
Delinquent Taxes and Penalties	\$ 9,674		\$ 9,674		
Less: Reserve for Unsecured Property Tax	4,896		4,896		
Other Accounts and Subventions	\$ 4,778		\$ 4,778		
	454,160	\$ 377,952	2,862	\$ 73,346	
Accounts Receivable - Net	\$ 458,938	\$ 377,952	\$ 7,640	\$ 73,346	
Inter-Fund Accounts	\$ 71,119		\$ 68,600	\$ 2,519	
Deferred Charges:					
Cafeteria Inventory	\$ 71,875			\$71,875	
Prepaid Expenses	7,917		\$ 7,917		
Bond Interest Accrued	211,183				
Uncompleted Contracts and Purchase orders (Contra)	21,256		21,256		
Total Deferred Charges	\$ 312,231		\$ 29,173	\$ 71,875	\$10,000 \$45,297 \$155,886
TOTAL ASSETS	\$2,669,921	\$1,330,289	\$287,579	\$834,649	\$11,725 \$46,042 \$159,637

LIABILITIES AND SURPLUS	Totals	Special Reserve	Child Care Centers	School Cafeterias	Bond Interest - and Redemption - Note 1	
					1923	1948
<u>Bond Interest Payable and Accrued</u>	\$ 216,404				\$10,725	\$159,637
<u>Accounts Payable and Commitments:</u>						
Warrants and Payroll Deductions Outstanding	\$ 121,635	\$ 83	\$ 41,729	\$ 79,823		
Accounts Payable - Materials and Services	23,744		23,731	13		
Uncompleted Contracts and Purchase Orders (Contra)	<u>158,522</u>	<u>137,266</u>	<u>21,256</u>			
Total Accounts Payable and Commitments	\$ 303,901	\$ 137,349	\$ 86,716	\$ 79,836		
<u>Inter-Agency Accounts:</u>						
Department of Public Works	\$ 301,460	\$ 295,562	\$ 5,898			
Other Agencies	<u>70,811</u>		<u>70,811</u>			
Total Inter-Agency Accounts	\$ 372,271	\$ 295,562	\$ 76,709			
<u>Inter-Fund Payables</u>	\$ 183,399	\$ 65,780	\$ 16,626	\$100,993		
<u>Bonded Debt</u>	\$ 1,000				\$ 1,000	
<u>Reserves:</u>						
Inventory	\$ 71,875			\$ 71,875		
Prepaid Expenses	7,917		\$ 7,917			
Imprest Cash	4,000			4,000		
Adjustment	<u>10,000</u>		<u>5,000</u>	<u>5,000</u>		
Total Reserves	\$ 93,792		\$ 12,917	\$ 80,875		
<u>Deferred Credits</u>	\$ 415,386	\$ 415,386				
<u>Unencumbered Appropriation</u>	\$ 432,012	\$ 415,570		\$ 16,442		
<u>Unappropriated Balance</u>	\$ 651,756	\$ 642	\$ 94,611	\$556,503		
TOTAL LIABILITIES AND UNAPPROPRIATED BALANCE	\$2,669,921	\$1,330,289	\$287,579	\$834,649	\$11,725	\$159,637

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BALANCE SHEET OF THE TRUST FUNDS

AS OF JUNE 30, 1965

FUND	Cash with Treasurer	Other Cash Items In Transit	Other Assets	Total Assets	Warrants Payable	Accounts Payable	Total Liabilities	Unexpended Balance
Withholding Tax	\$570,851	\$597,547		\$1,168,398	\$ 47	\$1,168,351	\$1,168,398	
Teachers' Annuity	24,283	21,713		45,996	48	45,948	45,996	
Teachers' Retirement	21,420	21,344		42,764		42,764	42,764	
Miranda Lux Foundation	33,023			33,023		1,674	1,674	\$ 31,349
George and Ellen Booth Memorial	1,500			1,500				1,500
Anna Steinberg Trust	144			144	21		21	123
Veterans' Education	55			55				55
Neil V. O'Connell	10,957		\$65,245(1)	76,202	364	987	1,351	74,851
George Wilson Meyer Collection	6,492			6,492	5	27	32	6,460
TOTALS	\$668,725	\$640,604	\$65,245	\$1,374,574	\$485	\$1,259,751	\$1,260,236	\$114,338

(1) Consists of Assets held in Trust by the
Crocker-Citizens National Bank

SAN FRANCISCO UNIFIED SCHOOL DISTRICTSTATEMENT OF UNAPPROPRIATED BALANCE - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1965

Balance - July 1, 1964		\$2,775,954
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Add:

Excess of Revenues over		
Expenditures	\$ 98,959	
Prior Years Adjustments	379,722	
Miscellaneous	1,209	
Adjustment of Reserves	583,316	
Decreases in Encumbrances	<u>16,361</u>	<u>1,079,567</u>
		\$3,855,521

Less:

Transfer to Special Reserve	\$132,214	
Unencumbered Appropriation	<u>80,371</u>	<u>212,585</u>
Balance - June 30, 1965		<u><u>\$3,642,936</u></u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICTCURRENT FUNDCOMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
For the Fiscal Years ended June 30, 1965 and June 30, 1964

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1965</u>	<u>June 30, 1964</u>	<u>(Decrease)</u>
Revenues - Per Schedule "C-1"	\$62,854,872	\$59,586,731	\$3,268,141
<u>Operating Expenditures:</u>			
Administration	\$ 1,361,285	\$ 1,263,387	\$ 97,898
Instruction - Classroom	36,646,932	33,875,590	2,771,342
- Other	11,456,299	10,626,940	829,359
Auxiliary Service	65,079	62,661	2,418
Operations	5,071,619	4,828,260	243,359
Maintenance	2,074,925	2,462,241	(387,316)
Fixed Charges	4,066,219	3,531,053	535,166
Transportation of Pupils	430,646	413,755	16,891
Food Service	157,488	206,746	(49,258)
Community Services	727,068	848,914	(121,846)
Transfer of Tuition, Retirement, etc.	<u>80,532</u>	<u>140,887</u>	<u>(60,355)</u>
Total Operating Expenditures	<u>\$62,138,092</u>	<u>\$58,260,434</u>	<u>\$3,877,658</u>
Balance	\$ 716,780	\$ 1,326,297	\$ (609,517)
Net Capital Outlay from Current Funds	<u>617,821</u>	<u>708,556</u>	<u>(90,735)</u>
Excess of Revenue over Expenditures	<u>\$ 98,959</u>	<u>\$ 617,741</u>	<u>\$ (518,782)</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICTCOMPARATIVE STATEMENT OF CURRENT FUND REVENUES
For the Fiscal Years ended June 30, 1965 and June 30, 1964

	<u>Fiscal Years ended</u>		<u>Increase (Decrease)</u>
	<u>June 30, 1965</u>	<u>June 30, 1964</u>	
<u>Property Taxes and Penalties</u>	\$42,959,856	\$40,391,220	\$2,568,636
<u>Apportionments from State of California:</u>			
Elementary Schools	\$ 9,332,525	\$ 9,352,939	\$ (20,414)
High Schools and City College	6,018,635	5,754,167	264,468
Retirement Subventions	<u>1,929,833</u>	<u>1,771,847</u>	<u>157,986</u>
Total Apportionments	\$17,280,993	\$16,878,953	\$ 402,040
<u>Other Revenue:</u>			
San Francisco Housing Authority - in lieu of Taxes	\$ 90,486	\$ 72,933	\$ 17,553
Federal and State vocational education subvention	354,380	360,299	(5,919)
Reimbursement for veterans' education and counseling	39,316	55,452	(16,136)
Tuition from other Counties and Districts	192,751	187,599	5,152
Rentals	351,378	328,877	22,501
Public Law 874 and other Federal Aid	1,471,301	1,189,635	281,666
Miscellaneous	<u>114,411</u>	<u>121,763</u>	<u>(7,352)</u>
Total Other Revenue	\$ 2,614,023	\$ 2,316,558	\$ 297,465
Total Revenues	<u>\$62,854,872</u>	<u>\$59,586,731</u>	<u>\$3,268,141</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENT - JUNE 30, 1965

1. Fixed capital properties, bonded debt and bond interest, payable and accrued, are not recorded in the ledger of the San Francisco Unified School District, but have been added in this report.

Bonded Debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the San Francisco Unified School District. They are shown in the Balance Sheet "Exhibit "A", as the proceeds of the bonds were used to acquire School District Properties.

The amounts shown for fixed capital properties do not represent the value of properties and equipment presently owned by the San Francisco Unified School District, as the amounts shown include certain properties at cost and certain properties at appraised value when acquired.

2. At June 30, 1965 the contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of \$175,000.

The Retirement Board of the City and County of San Francisco was unable to furnish the amount of contingent liability for Workmen's Compensation claims pending.

3. Revenue, other than from secured taxes, is recorded only when monies are received by, or for the credit of, the School District. This practice is consistent with that of the preceding fiscal years.

4. Claims for reimbursement under the National Defense Education Act (Public Law 864), and Manpower Development and Training Act (Public Law 415) were examined and in our opinion are reasonably correct as filed.

5. Claims for reimbursement under the National School Lunch Program, and the Special Milk Programs were examined and in our opinion are correct as filed.

Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1965

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

November 23, 1965

Mr. Harry D. Ross
Controller
City and County of San Francisco

TREASURER: Examination of Accounts, Fiscal Year
Ended June 30, 1965

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records.


Mr. Ralph A. Sheehan, Grand Jury Statistician, participated in this examination.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

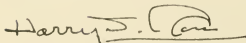
In our opinion the accompanying report with schedules attached presents fairly the financial condition of the Treasurer at June 30, 1965, and the results of its operation for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION


Francis J. Byrne
Chief Accountant

REPORT APPROVED:


HARRY D. ROSS
CONTROLLER

REPORT ON EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1965 amounted to \$699,827,633.46 compared with June 30, 1964 total of \$670,727,811.38.

<u>Cash and Securities</u>	<u>June 30, 1965</u>	<u>June 30, 1964</u>
Cash and cash items	\$151,603,638.55	\$149,998,652.53
Securities (Par Value)	<u>548,223,994.91</u>	<u>520,729,158.85</u>
Total (Exhibit "A")	<u>\$699,827,633.46</u>	<u>\$670,727,811.38</u>

CASH AND CASH ITEMS \$151,603,638.55

Cash and Cash items (Exhibit "A"),
are summarized as follows:

<u>Cash and Cash Items</u>	<u>June 30, 1965</u>	<u>June 30, 1964</u>
Cash and cash items on hand	\$ 2,325,749.54	\$ 1,862,067.50
Cash in banks	147,470,681.67	145,371,317.82
United States Bonds (Par Value)	<u>75,100.00</u>	<u>82,700.00</u>
Total	\$149,871,531.21	\$147,316,085.32
Cash items received after June 30, 1965, and applied to the fiscal year 1964-1965.	<u>1,732,107.34</u>	<u>2,682,567.21</u>
Total	<u>\$151,603,638.55</u>	<u>\$149,998,652.53</u>

The above \$151,603,638.55 was reconciled with the Controller's available cash of \$130,623,541.60, the difference of \$20,980,096.95 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

<u>Outstanding Items</u>	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants Outstanding	\$17,903,726.16	\$ 2,959,872.04	\$ 20,863,598.20
Matured and unpaid bonds	21,000.00	46,200.00	67,200.00
Matured and unpaid coupons	<u>17,866.25</u>	<u>31,432.50</u>	<u>49,298.75</u>
Total	<u>\$17,942,592.41</u>	<u>\$ 3,037,504.54</u>	<u>\$ 20,980,096.95</u>

Cash and Cash Items on Hand

The sum of \$2,325,749.54 consists of:

<u>Item</u>	<u>Amount</u>	<u>Comment</u>
Coin and Currency	\$ 597,210.22	Verified by count.
Checks on hand for deposit	1,727,480.30	All current: deposited in bank July 1, 1965.
Due from Clearing House	<u>1,059.02</u>	Adjusted on next day's clearing.
	<u>\$ 2,325,749.54</u>	

Cash in Banks \$147,470,681.67

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

	<u>Amount on Deposit</u>		<u>Total</u>	<u>Percent</u>
	<u>Inactive</u>	<u>Active</u>		
Bank of America	\$ 22,400,000.00	\$ 6,171,079.07	\$ 28,571,079.07	19.37
Bank of California	9,000,000.00	842,325.03	9,842,325.03	6.67
Bank of Canton	1,175,000.00	500,000.00	1,675,000.00	1.14
Bank of Montreal	3,123,710.88	150,000.00	3,273,710.88	2.22
Bank of Tokyo	2,475,000.00	600,000.00	3,075,000.00	2.09
Canadian Bank of Commerce	1,150,000.00	650,000.00	1,800,000.00	1.22
Chartered Bank of London	500,000.00	250,000.00	750,000.00	.51
Commonwealth Nat'l. Bank of S.F.	650,000.00	250,000.00	900,000.00	.61
Crocker-Citizens Nat'l. Bank	28,095,807.92	91,559.71	28,187,367.63	19.11
First San Francisco Bank	4,230,000.00	250,000.00	4,480,000.00	3.04
First Western Bank	6,000,000.00	550,000.00	6,550,000.00	4.44
Golden Gate National Bank	2,000,000.00	326,643.39	2,326,643.39	1.57
Hibernia Bank	1,750,000.00	500,000.00	2,250,000.00	1.52
Hongkong & Shanghai Bank	4,300,557.63	500,000.00	4,800,557.63	3.26
Pacific National Bank	9,700,000.00	653,671.10	10,353,671.10	7.02
Sumitomo Bank	2,150,000.00	500,000.00	2,650,000.00	1.80
United California Bank	13,500,000.00	591,165.75	14,091,165.75	9.56
Wells Fargo Bank	20,150,000.00	1,744,161.19	21,894,161.19	14.85
Total	<u>\$132,350,076.43</u>	<u>\$15,120,605.24</u>	<u>\$147,470,681.67</u>	<u>100.00</u>
Percent of Total	89.75%	10.25%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

Supervisors' Resolution No. 3469, adopted August 17, 1937, authorized the Treasurer to enter into the necessary agreement with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

The amounts on deposit in banks June 30, 1965, (Exhibit "A-1") are within the limitations specified in Government Code Section 53638:

"The deposit shall not exceed the total of the paid-up capital and surplus of any depository."

Interest totaling \$5,035,990.37 was earned on inactive deposit balances during the fiscal year.

United States Bonds (Par Value) \$75,100.00

United States Bonds representing Superior and Municipal Court bail deposits, include \$12,350.00 for which court orders for release or forfeitures were issued.

Cash Items Received After June 30, 1965 \$1,732,107.34

This item represents 1964-1965 collections which were deposited with the Treasurer in July 1965.

<u>Date Deposited</u>	<u>Amount</u>
July 1, 1965	\$ 563,171.08
July 2, 1965	1,012,975.61
July 6, 1965	90,250.27
July 7, 1965	<u>65,710.38</u>
Total	<u>\$1,732,107.34</u>

SECURITIES (PAR VALUE) \$548,223,994.91

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

<u>Securities Charged to the Treasurer</u>	<u>Par Value</u>
<u>Bonds</u>	
Employees' Retirement Fund	\$336,511,971.66
Bequest Funds	186,000.00
Trust Funds	15,000.00
Deposit on Leases	136,000.00
Miscellaneous Deposits	<u>1,475.00</u>
Total	<u>\$336,850,446.66</u>
<u>Miscellaneous</u>	
Corporate Stock (Bequest Funds)	\$ 36,348.25
Deposits	<u>23,200.00</u>
Total	<u>\$ 59,548.25</u>
<u>Securities Not Charged to the Treasurer</u>	
Collateral Securities	<u>\$211,314,000.00</u>
Total June 30, 1965	<u>\$548,223,994.91</u>

The book value of the bonds of the Employees' Retirement Fund will be verified and reported by the firm of Farquhar and Heimbucher, Certified Public Accountants, in connection with the audit of the Retirement System. The book value of the other securities charged to the Treasurer will be verified and reported by the firm of Lybrand, Ross Bros. & Montgomery, Certified Public Accountants, in connection with the audit of the office of the Controller. The market value of the collateral securities is reported at \$210,009,504.00 by the several depositories.

Bonds (Par Value) Employees' Retirement Fund \$336,511,971.66

Verification and physical count of bonds was made in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to Controller's instructions, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1964-1965 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1964	\$323,499,529.60
Purchased	<u>37,139,452.06</u>
Total	\$360,638,981.66
Sold, called or matured	<u>24,127,010.00</u>
Balance, June 30, 1965	<u>\$336,511,971.66</u>

Bonds (Par Value) Bequest and Trust Funds \$201,000.00 (Exhibit "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

Bonds (Par Value) Deposit on Leases \$136,000.00 (Exhibit "A-2")

These bonds represent security on various leases of City and County property.

Bonds (Par Value) Miscellaneous \$1,475.00 (Exhibit "A-2")

The above represent deposits by various City and County departments for safekeeping.

Other-Corporate Stock \$36,348.25 (Exhibit "A-2")

Represent par value of stocks belonging to bequest funds.

Other Certificates \$23,200.00 (Exhibit "A-2")

Represent Certificates of Deposit and Investment Certificates deposited with the Treasurer as security on various leases.

Collateral Securities (Par Value Bonds) \$211,314,000.00 (Exhibit "A-1")

The Securities consist of Federal, State, or other Government Bonds of a type required by Government Code Section 53651 and were approved by the Treasurer and City Attorney in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

"The market value of securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities."

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1965, were less than face value of collateral deposited; the market value of said collateral exceeded the amount of deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS - UNSOLD (UNISSUED) \$148,398,000.00

Unsold (Unissued) City and County Bonds at June 30, 1965, represent the remainder of issues authorized by the electorate, as follows:

	Total <u>Authorized</u>	<u>Sold</u>		Unsold <u>June 30, 1965</u>
		<u>Prior to 1964-1965</u>	<u>During 1964-1965</u>	
<u>Authorized June 8, 1954</u>				
1954 Sewer	\$ 12,645,000	\$ 12,290,000	\$	\$ 355,000
<u>Authorized Nov. 8, 1955</u>				
1955 Playground and Recreation Center	7,000,000	5,900,000	695,000	405,000
1955 Hetch Hetchy Power	54,000,000	50,000,000	4,000,000	-0-
<u>Authorized June 5, 1956</u>				
1956 Hall of Justice	19,475,000	18,400,000		1,075,000
<u>Authorized Nov. 6, 1956</u>				
1956 Schools	27,000,000	24,925,000	2,075,000	-0-
<u>Authorized Nov. 3, 1959</u>				
1959 Civic Center Aud. Improvement	7,575,000	7,350,000		225,000
1959 Palace of Fine Arts	1,800,000		1,800,000	-0-
<u>Authorized Nov. 8, 1960</u>				
1960 Sewer	12,500,000	4,900,000	5,000,000	2,600,000
<u>Authorized Nov. 7, 1961</u>				
1961 Municipal Water System	115,000,000	29,300,000	2,240,000	83,460,000
<u>Authorized June 2, 1964</u>				
1964 Street Lighting	7,000,000			7,000,000
1964 Sewerage and Sewage Disposal	15,623,000			15,623,000
<u>Authorized Nov. 3, 1964</u>				
1964 Fire Department	4,890,000			4,890,000
1964 Log Cabin Ranch	1,300,000			1,300,000
1964 School	<u>31,465,000</u>			<u>31,465,000</u>
Total	<u>\$317,273,000</u>	<u>\$153,065,000</u>	<u>\$15,810,000</u>	<u>\$148,398,000</u>

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds when a sale has been made by the Board of Supervisors.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purposes of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensations earned during the year ended June 30, 1965, as follows:

	<u>Par Value Paid and Cancelled</u>	<u>Compensation</u>	
		<u>Authorized Rate</u>	<u>Earned 1964-65</u>
Bonds	\$ 13,391,000.00	1/20th of 1%	\$ 6,695.50
Coupons (250,564)	<u>3,586,202.50</u>	\$.04 each	<u>10,022.56</u>
Total	<u>\$ 16,977,202.50</u>		<u>\$16,718.06 (1)</u>

(1) Includes \$5,475.12 for last quarter of 1964-1965, which was paid in August 1965.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by Board of Supervisors' Resolutions No. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the fiscal year for the City and County employees was \$813,768.75, as compared with \$784,837.50, for the prior fiscal year.

REVENUE AND EXPENDITURES (EXHIBIT "B")

Revenues exceeded expenditures and encumbrances by \$4,887,936.81. A comparison with the previous fiscal year follows:

<u>Revenues</u>	<u>1964-1965</u>	<u>1963-1964</u>
Interest earned on inactive bank deposits	\$ 5,035,990.37	\$ 4,877,222.10
Commissions received on Inheritance Tax		
Collections	50,000.00	50,000.00
Other Fees	<u>657.50</u>	<u>629.60</u>
Total	\$ 5,086,647.87	\$ 4,927,851.70
 <u>Expenditures</u>		
Per Controller's Records	<u>198,711.06</u>	<u>186,197.35</u>
Total	<u>\$ 4,887,936.81</u>	<u>\$ 4,741,654.35</u>

A five year comparative statement of revenues, expenditures, and encumbrances is reflected on Exhibit "B".

Interest on Inactive Bank Deposits \$5,035,990.37

In accordance with Government Code Sections 53645 and 53649, interest is computed at rates specified in depository agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1964-1965	Interest Earned	
	<u>Budget Estimate</u>	<u>1964-1965</u>	<u>1963-1964</u>
General, Special Gas Tax and Special Road Improvement Funds	\$4,200,000.00	\$4,579,566.42	\$4,563,432.91
Municipal Railway	<u>50,000.00</u>	<u>63,855.00</u>	<u>58,855.00</u>
Total	\$4,250,000.00	\$4,643,421.42	\$4,622,287.91
Civic Center Plaza Garage		33,405.76	21,223.85
Water Operating	100,000.00	114,471.77	109,958.03
Health Service System		36,924.15	19,945.38
Anna E. Waden		4,419.77	3,908.67
Alfred Fuhrman Bequest-Park		8,182.16	7,693.21
" " -Library		8,182.16	7,693.21
W. C. Steinbrunn Bequest		-0-	1,022.99
Palace of Fine Arts		94,565.67	2,786.89
Palace of Fine Arts-Walter E. Johnson Gift		87,330.14	76,474.31
Martin Heller Bequest		2,479.44	2,224.92
Redevelopment Agency		2,045.54	2,002.73
State - County Fair		<u>562.39</u>	<u>- 0 -</u>
Total	<u>\$4,350,000.00</u>	<u>\$5,035,990.37</u>	<u>\$4,877,222.10</u>

The \$63,855.00 credited to the Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$4,643,421.42 on the basis of the Treasurer's daily balances in that fund.

The credits to the various other funds were earned on inactive bank balances.

Commissions on Inheritance Tax Collections \$50,000.00

Inheritance Tax Commissions and Settlements with the State for the twelve months ending May 31, 1965, are summarized as follows:

Inheritance Tax Collections		\$14,674,315.06
Less: Disbursements:		
Appraisers' Fees	\$ 3,203.25	
Payments to State	<u>14,621,111.81</u>	<u>14,624,315.06</u>
Commissions Earned, Fiscal Year 1964-1965		<u>\$ 50,000.00</u>

Accounts maintained for Inheritance Tax purposes are recorded on State Controller pre-numbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, as amended by Statutes of 1963, the maximum commissions a Treasurer of a county of the fourth class may retain is \$50,000.00 for a calendar year.

Other Fees \$657.50

Consists of a fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "listing contents of a Safe Deposit Box" collected in accordance with Sections 14144 and 14346 of the Revenue and Taxation Code.

Expenditures \$198,711.06

Expenditures compared with budget appropriations for 1964-1965 are as follows:

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures</u>
Permanent Salaries	\$ 171,648.32	\$ 171,515.16
Allowance for Overtime	170.00	105.39
Contractual Services	19,000.00	17,846.06
Use of Employees' Cars	542.00	526.91
Materials and Supplies	2,024.00	1,996.88
<u>By Purchaser</u>		
Reproduction Bureau	1,250.00	1,231.24
Maintenance and Repair of Office		
Equipment	413.24	343.07
Telephone and Telegraph	350.00	360.64
Rental of Office Machines and		
Equipment	4,560.00	4,560.00
City Directory	84.00	83.20
Stationery Withdrawn from Stores	150.00	142.51
Total	<u>\$ 200,191.56</u>	<u>\$ 198,711.06</u>

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

CASH DIFFERENCE FUND

Ordinance No. 68-58, approved February 14, 1958 created a Cash Difference Fund and an Average Fund in connection with certain offices and departments of the City and County and prescribed the method for the administration of the funds.

The operations of the two funds are summarized as follows:

	<u>Fund</u>	
	<u>Overage</u>	<u>Cash Difference</u>
Balance, July 1, 1964	\$ - 0 -	\$ 341.41
Plus: Appropriation January 14, 1965		500.00
Overages	- 0 -	
Less: Deposit with General Fund	- 0 -	
Disbursements		468.00
Balance, June 30, 1965	<u>\$ - 0 -</u>	<u>\$ 373.41</u>

The balance in the Cash Difference Fund was verified by actual count.

SURETY BOND - TREASURER

In accordance with Charter Section 31, John J. Goodwin, Treasurer of the City and County of San Francisco, is bonded for \$200,000 by St. Paul Fire and Marine Insurance Company's Bond No. 404-BC-4583P, in favor of the City and County of San Francisco and/or State of California, for a period of one year commencing January 8, 1965. The bond is in the custody of the Controller as provided by Charter Section No. 67.

SURETY BOND OF EMPLOYEES

Pursuant to Ordinance No. 8075, August 5, 1953, as amended by Ordinance No. 94-61, April 26, 1961, Blanket Bond No. 404-BC-8148P, St. Paul Fire and Marine Insurance Company, expiring June 1, 1966, covers all employees of the City and County of San Francisco under Section 1 of Ordinance No. 94-61 for faithful performance and under Section 7 of Ordinance No. 8075 up to \$50,000.00 for any one employee or the sum of \$50,000.00 as to any one loss.

FORGERY INSURANCE

Forgery Insurance up to \$100,000 (\$200 aggregate deductible) is provided by the United Pacific Insurance Company, Policy No. B415930 for a period of three years commencing May 15, 1963. This policy is on file with the Controller.

MONEY AND SECURITIES INSURANCE

Pursuant to Ordinance No. 50-62 the Treasurer is insured by St. Paul Fire and Marine Insurance Co. Policy No. 504-BA-2340, for a three year period beginning June 1, 1964, as follows:

Inside premise coverage:	
Money and securities or other property	\$ 750,000
Securities only	10,000,000
Outside premise coverage:	
Money and valuables	500,000

SUMMARY OF CASH AND SECURITIES

	<u>June 30th</u>	
	<u>1965</u>	<u>1964</u>
<u>CASH AND CASH ITEMS</u>		
<u>CASH AND CASH ITEMS ON HAND</u>		
Coin and Currency	\$ 597,210.22	\$ 700,823.21
Checks on Hand for Deposit	1,727,480.30	1,161,105.56
Due from Clearing House	<u>1,059.02</u>	<u>138.73</u>
Total	<u>\$ 2,325,749.54</u>	<u>\$ 1,862,067.50</u>
<u>CASH IN BANKS</u>		
Active Accounts	\$15,120,605.24	\$16,084,049.19
Inactive Accounts	<u>132,350,076.43</u>	<u>129,287,268.63</u>
Total	<u>\$147,470,681.67</u>	<u>\$145,371,317.82</u>
<u>UNITED STATES BONDS (PAR VALUE)</u>		
	<u>\$ 75,100.00</u>	<u>\$ 82,700.00</u>
<u>CASH RECEIVED AFTER JUNE 30, 1965 AND APPLIED TO FISCAL YEAR 1964-1965</u>		
Total (Exhibit "C" and "D")	<u>\$ 1,732,107.34</u>	<u>\$ 2,682,567.21</u>
	<u>\$151,603,638.55</u>	<u>\$149,998,652.53</u>
<u>SECURITIES</u>		
<u>BONDS (PAR VALUE)</u>		
Collateral from Banks (Exhibit "A-1")	\$211,314,000.00	\$196,822,000.00
Employees' Retirement Fund	336,511,971.66	323,499,529.60
Bequest Funds	186,000.00	186,000.00
Trust Funds	15,000.00	15,000.00
Deposit on Leases	136,000.00	137,000.00
Miscellaneous Deposits	<u>1,475.00</u>	<u>1,475.00</u>
Total	<u>\$548,164,446.66</u>	<u>\$520,661,004.60</u>
<u>OTHER (PAR OR FACE VALUE)</u>		
Corporate Stock (Bequest Funds)	\$ 36,348.25	\$ 35,954.25
Certificates (Lease Deposits)	<u>23,200.00</u>	<u>32,200.00</u>
Total	<u>\$ 59,548.25</u>	<u>\$ 68,154.25</u>
Total	<u>\$548,223,994.91</u>	<u>\$520,729,158.85</u>
Total Cash and Securities	<u>\$699,827,633.46</u>	<u>\$670,727,811.38</u>

BEQUESTS, TRUST FUNDS AND MISCELLANEOUS ASSETS
IN JOINT CUSTODY VAULT JUNE 30, 1965

<u>BEQUEST FUNDS</u>	<u>BONDS PAR VALUE</u>	<u>FACE VALUE CORPORATE STOCK</u>	<u>CONTROLLER'S BOOK VALUE</u>
Brunetti	\$	\$ 40.50	\$ 94.25
Fuhrman	115,000.00		115,250.00
Herzstein	8,000.00		8,379.01
Lewis		260.00	2,000.00
Marx	2,000.00		2,072.86
Olsen	1,000.00		992.81
Robinson	40,000.00		40,000.00
Salinger		2,175.00	25,401.95
Sutro	5,000.00		4,996.88
Waden		33,872.75	94,140.33
Windel	15,000.00		15,009.38
Total	\$186,000.00	\$36,348.25	\$308,337.47

TRUST FUNDS

Panama Pacific Exposition	15,000.00		15,585.00
Total Bequest & Trust Funds	\$201,000.00	\$36,348.25	\$323,922.47

DEPOSIT ON LEASES

		<u>FACE VALUE CERTIFICATES</u>	
Elsie A. Conidi	\$ 1,500.00	\$	\$ 1,500.00
Di Salvo Trucking Company	2,000.00	1,000.00	3,000.00
Elias Leider	2,500.00		2,500.00
Lurie and Company	2,000.00		2,000.00
Mission Street Merchants' Ass'n.		5,000.00	5,000.00
Savoy Auto Parks & Garage Inc.		10,000.00	10,000.00
William H. Segale	1,000.00		1,000.00
Studinger and Ward	1,000.00		1,000.00
Arthur R. Viargues	1,000.00		1,000.00
Welch Catering-Civic Center		5,000.00	5,000.00
-Kezar		1,000.00	1,000.00
-Opera		1,200.00	1,200.00
Woodfield Company	125,000.00		125,000.00
Total	\$136,000.00	\$23,200.00	\$159,200.00

MISCELLANEOUS DEPOSITS

County Clerk		
Estate of Henry J. Byrne		
Missing Person	\$ 1,425.00	\$ 1,425.00
Public Administrator		
Mr. Dane Conroy, Absent Heir	25.00	25.00
Recreation and Park Department		
North Beach Playground	25.00	25.00
Total	\$ 1,475.00	\$ 1,475.00

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

Fiscal Year Ended June 30th

	<u>1965</u>	<u>1964</u>	<u>1963</u>	<u>1962</u>	<u>1961</u>
REVENUES					
Interest Earned on					
Deposit of Public Funds	\$5,035,990.37	\$4,877,222.10	\$4,291,346.30	\$3,397,413.33	\$2,952,629.46
Commission on Inheritance					
Tax Collections	50,000.00	50,000.00	25,000.00	25,000.00	50,000.00
Other Fees	657.50	629.60	572.50	461.50	313.50
Conscience Money			210.00	49.00	11.00
Total	<u>\$5,086,647.87</u>	<u>\$4,927,851.70</u>	<u>\$4,317,128.80</u>	<u>\$3,422,923.83</u>	<u>\$3,002,953.96</u>
EXPENDITURES AND ENCUMBRANCES					
Permanent Salaries	\$ 171,515.16	\$ 155,932.96	\$ 145,733.77	\$ 134,105.59	\$ 129,556.01
Allowance for Overtime	105.39	87.58	127.52	103.33	48.06
Temporary Salaries		2,092.31	305.32(2)	603.43	
Contractual Services	8,149.86	7,944.55	7,922.89	7,536.24	6,166.40
Fiscal Agent - New York	16,718.06	17,924.52	18,704.26	18,303.82(1)	16,307.60
Materials and Supplies	2,222.59	1,925.60	1,999.48	1,950.58	2,104.27
Equipment		219.83	221.76		2,296.08
Fixed Charges			12,160.36	600.00	100.00
Total	<u>\$ 198,711.06</u>	<u>\$ 186,197.35</u>	<u>\$ 187,175.36</u>	<u>\$ 163,202.99</u>	<u>\$ 156,578.42</u>
Net Revenues	<u>\$4,887,936.81</u>	<u>\$4,741,654.35</u>	<u>\$4,129,953.44</u>	<u>\$3,259,720.84</u>	<u>\$2,846,375.54</u>

(1) Includes \$1,209.55 Reserve for Adjustment.

(2) Military Leave.

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
	<u>1965</u>	<u>1964</u>
<u>CASH BALANCE - BEGINNING OF YEAR</u>	<u>\$149,998,652.53</u>	<u>\$184,849,939.77</u>
<u>RECEIPTS</u>		
Receipts	\$484,238,412.58	\$432,385,203.59
Journal Transfers (Contra)	<u>460,132,941.68</u>	<u>390,888,079.06</u>
Total	<u>\$944,371,354.26</u>	<u>\$823,273,282.65</u>
Total Balance and Receipts	<u>\$1,094,370,006.79</u>	<u>\$1,008,123,222.42</u>
<u>DISBURSEMENTS</u>		
Cash Disbursements	\$ 482,633,426.56	\$ 467,236,490.83
Journal Transfers (Contra)	<u>460,132,941.68</u>	<u>390,888,079.06</u>
Total	<u>\$ 942,766,368.24</u>	<u>\$ 858,124,569.89</u>
<u>CASH BALANCE - END OF YEAR</u>	<u>\$ 151,603,638.55</u>	<u>\$ 149,998,652.53</u>
(EXHIBITS "A" AND "D")		

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
<u>CURRENT FUNDS</u>	<u>1965</u>	<u>1964</u>
Cash Balance - Beginning of Year	\$ 88,739,717.45	\$ 88,051,966.98
Cash Receipts	349,111,033.03	326,731,921.68
Journal Transfers	425,034,723.79	362,693,548.85
Total Available	\$862,885,474.27	\$777,477,437.51
Cash Disbursements	\$328,267,921.03	\$306,834,960.25
Journal Transfers	441,648,711.72	381,902,759.81
Total Disbursements	\$769,916,632.75	\$688,737,720.06
CASH BALANCES - END OF YEAR (EXHIBIT "D")	\$ 92,968,841.52	\$ 88,739,717.45
<u>CAPITAL FUNDS</u>		
Cash Balance - Beginning of Year	\$ 44,846,602.13	\$ 75,043,635.34
Cash Receipts	17,087,754.21	785,032.98
Journal Transfers	8,971,670.91	7,281,206.37
Total Available	\$ 70,906,027.25	\$ 83,109,874.69
Cash Disbursements	\$ 19,901,994.63	\$ 31,124,109.72
Journal Transfers	14,779,887.04	7,139,162.84
Total Disbursements	\$ 34,681,881.67	\$ 38,263,272.56
CASH BALANCE - END OF YEAR (EXHIBIT "D")	\$ 36,224,145.58	\$ 44,846,602.13
<u>TRUST AND ASSESSMENT FUNDS</u>		
Cash Balance - Beginning of Year	\$ 16,412,332.95	\$ 21,754,337.45
Cash Receipts	118,039,625.34	104,868,248.93
Journal Transfers	26,126,546.98	20,913,323.84
Total Available	\$160,578,505.27	\$147,535,910.22
Cash Disbursements	\$134,463,510.90	\$129,277,420.86
Journal Transfers	3,704,342.92	1,846,156.41
Total Disbursements	\$138,167,853.82	\$131,123,577.27
CASH BALANCE - END OF YEAR EXHIBIT "D"	\$ 22,410,651.45	\$ 16,412,332.95
TOTAL CASH ON HAND (EXHIBITS "A" AND "D")	\$151,603,638.55	\$149,998,652.53

**City and County of San Francisco
Employees' Retirement System**



EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1965

FARQUHAR & HEIMBUCHER

Certified Public Accountants

220 BUSH STREET
SAN FRANCISCO 4, CALIFORNIA

January 25, 1966

To the Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

We have examined the balance sheet of the San Francisco City and County Employees' Retirement System at June 30, 1965 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves, together with the notes thereto, present fairly the financial position of the San Francisco City and County Employees' Retirement System at June 30, 1965 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Farquhar & Heimbacher

San Francisco City and County Employees' Retirement System

BALANCE SHEET AT JUNE 30, 1965

Assets

CASH		\$ 5,287,142
RECEIVABLES		
Employees' contributions in process of collection	815,766	
City and County of San Francisco contributions and reimbursements	603,041	
Bond interest accrued	<u>3,468,778</u>	4,887,585
BOND INVESTMENTS AT AMORTIZED VALUE		
(Par Value - \$ 336,511,972)		
United States Government	43,872,190	
Canadian	1,674,545	
California municipalities	2,095,842	
Other municipalities	2,097,255	
Authorities	350,663	
Public Utilities	211,432,708	
Railroads	38,340,273	
Industrial companies	27,426,410	
Financial	5,696,717	
International Bank for Reconstruction and Development	<u>2,104,033</u>	335,090,636

\$ 345,265,363

Liabilities

LIABILITIES CURRENTLY PAYABLE

Tax appropriations in excess of current requirements, payable to the City and County of San Francisco	\$	465,762	
Credit to San Francisco Unified School District		394,439	
Accumulated contributions of former members		23,261	
Administrative and compensation costs payable		<u>39,595</u>	923,057

RESERVES

For current service benefits already granted			
Service retirements			
Annuities		19,400,863	
Pensions		47,419,989	
Disability retirements			
Annuities		2,928,464	
Pensions		27,069,412	
Industrial death allowances			
Annuities		531,663	
Pensions		<u>6,079,224</u>	103,429,615
For current service benefits not yet granted			
Members' accumulated contributions		110,583,465	
City and County of San Francisco accumulated contributions		<u>112,450,489</u>	223,033,954
For death benefits on deposit			
City and County of San Francisco contributions reserved for benefits not otherwise funded			3,329,327
Unallocated earnings from the sale of bonds			327,946
Contingency reserve against adverse experience			
Mortality stabilization reserve		3,047,050	
Unallocated		<u>11,174,414</u>	<u>14,221,464</u>
	\$	<u>345,265,363</u>	

San Francisco City and County Employees' Retirement System

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED JUNE 30, 1965

MEMBERS' CONTRIBUTIONS

Normal

General	\$ 8,680,054	
Police	797,107	
Fire	<u>732,373</u>	10,209,534

Additional		23,062
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Redeposit of withdrawn contributions		<u>24,709</u>	10,257,305
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CITY AND COUNTY OF SAN FRANCISCO

REGULAR CONTRIBUTIONS

Current service reserves

General	5,192,716	
Police	2,428,980	
Fire	<u>1,782,510</u>	9,404,206

Current service benefits

Police	216,714	
Fire	<u>1,649,796</u>	1,866,510

Prior service benefits

General	631,057		
Police	1,013,132		
Fire	<u>1,715,373</u>	<u>3,359,562</u>	14,630,278

INCOME

Bond interest earned		12,920,976	
Other income		397	
Net loss from sale of bonds		<u>(50,756)</u>	12,870,617

CITY AND COUNTY OF SAN FRANCISCO

OTHER CONTRIBUTIONS

For administrative expenses

(Contra)		471,175
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For compensation costs

incurred (Contra)	<u>463,096</u>	<u>934,271</u>
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Total reserve additions forward

38,692,471

Total reserve additions forward			\$ <u>38,692,471</u>
DISBURSEMENTS TO MEMBERS AND BENEFICIARIES			
Allowances and benefits paid			
From accumulated contributions			
Members	3,117,538		
City and County of San Francisco	8,001,806		
From City and County of San Francisco			
Current payments	<u>5,226,072</u>	16,345,416	
Monthly death benefit instalments		4,717	
Accumulated contributions withdrawn		<u>2,688,822</u>	19,038,955
ADMINISTRATIVE EXPENSES PAID (CONTRA)			471,175
COMPENSATION COSTS INCURRED (CONTRA)			
Weekly benefits	409,885		
Medical expenses	372,858		
Administrative expenses	<u>32,671</u>		
	815,414		
Less Subrogation recoveries	<u>7,220</u>	808,194	
Reimbursements from special funds		<u>345,098</u>	<u>463,096</u>
Total reserve reductions			<u>19,973,226</u>
EXCESS OF RESERVE ADDITIONS OVER REDUCTIONS			18,719,245
RESERVES AT JUNE 30, 1964			<u>325,623,061</u>
RESERVES AT JUNE 30, 1965			
For current service benefits already granted		103,429,615	
For current service benefits not yet granted		223,033,954	
City and County of San Francisco contributions reserved for benefits not otherwise funded		3,329,327	
Unallocated earnings from sale of bonds		327,946	
Contingency reserve against adverse experience		<u>14,221,464</u>	
			\$ <u>344,342,306</u>

San Francisco City and County Employees' Retirement System

NOTES TO FINANCIAL STATEMENTS

June 30, 1965

The Retirement System has estimated the reserve requirements at June 30, 1965 for compensation claims pending under the workmen's compensation laws of the State of California to be \$ 3,500,000. Compensation claims are paid by the Retirement System out of funds provided by the City and County of San Francisco in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

Reserves are not provided to meet pension requirements for current or prior service of policemen retired under charter section 166 or of firemen retired under charter section 169 nor for prior service of other members. These benefits are provided out of current contributions of the City and County of San Francisco. The estimated requirements for these benefits at June 30, 1963, were \$ 51,631,560 based on an actuarial survey at that date.

SUPPLEMENTARY FINANCIAL INFORMATION

The accompanying supplementary financial information, while not essential to a fair presentation of overall financial position and results of operations, is submitted as additional analytical data.

In our opinion, the information contained in the comments and schedules which follow is presented fairly in all material respects in relation to the financial statements of the San Francisco City and County Employees' Retirement System for the year ended June 30, 1965, which appear at the front of this report.

SUMMARY OF CONTENTS

General Comments

Comments on Operations

Comments on Balance Sheet

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated January 14, 1965. Mr. Ralph Sheehan, Grand Jury Statistician, participated.

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922. Membership in the System at present includes all permanent civil service employees of the City and County of San Francisco and the San Francisco Unified School District, certain part time employees, and certain elective officials. The active membership at June 30, 1965 was 20,562, and 5963 retired employees or their beneficiaries were then receiving monthly benefit allowances.

The System is administered by the Retirement Board consisting of seven members. They are the President of the Board of Supervisors, the City Attorney, three active members of the System elected by the membership, and two members appointed

by the Mayor of whom one is an officer of a bank, and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. Joseph E. Tinney, President of the Board of Supervisors; Mr. Thomas A. Toomey, the designated representative of Mr. Thomas M. O'Connor, City Attorney; Mr. Daniel Diez; Mr. William T. Reed, and Mr. Martin F. Wormuth, elected by the membership; Mr. John O'Meara of The Hibernia Bank; and Mr. Thomas S. Morgan of Thomas S. Shea & Associates. Mr. Daniel Mattrocce is Secretary of the System.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we compared members' contributions with payroll records and with established contribution rates on a test basis. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under charter section 165, the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1 and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

<u>Department</u>	<u>Charter Section</u>	<u>Rate</u>
Police Department	168.1	15.798 %
Fire Department	171.1	12.791
All others	165.2	5.166

The above rates were computed on the basis of an actuarial survey at June 30, 1964 adjusted for charter changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premium plus accumulation of discount.

Other contributions of the City and County of San Francisco represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$ 10,352,299
Disability retirements	3,594,781
Industrial death allowances	1,181,882
Death benefits to members' beneficiaries	798,460
Death benefits to beneficiaries of retired employees	<u>417,994</u>
Total	\$ <u>16,345,416</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on certain of the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

City and County of San Francisco Contributions and Reimbursements - \$ 603,041

A summary of the balances due from the City and County of San Francisco at June 30, 1965 is as follows:

City and County contributions due from public utilities and special funds	\$ 548,081
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	6,216
Due from special funds: Compensation costs	<u>48,744</u>
Total	\$ <u>603,041</u>

The amount of City and County of San Francisco contributions due from public utilities and special funds represents the portion of retirement contributions for April, May and June, 1965 for which cash transfers were made after June 30, 1965.

Contributions of policemen, made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations.

Bond Investments - \$ 335,090,636

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection at June 30, 1965.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1965. We did not ascertain the current market value of these securities. None of the bonds

owned appeared in default as to principal or interest at June 30, 1965, and all appeared to be of a character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to \$ 327,946 at June 30, 1965, is shown as a reserve as described later in this report.

Credit to the San Francisco Unified
School District - \$ 394,439

Charter section 165.4 provides a credit to the San Francisco Unified School District for City and County contributions previously made for the benefit of teachers or other employees who retire under the State Teachers' Retirement System of California, and relinquish their rights under the San Francisco City and County Employees' Retirement System. The credit for the year ended June 30, 1964 was calculated at \$ 2,068,576, of which \$ 1,674,137 was offset against current School District contributions, leaving a balance of \$ 394,439 to be credited to future contributions.

Reserves for Current Service
Benefits Already Granted - \$ 103,429,615

This account represents the accumulated contributions transferred to provide annuities and pensions for current service to retired members or their beneficiaries, plus interest, less benefits paid. The amount necessary at June 30, 1963, based on an actuarial survey at that date to provide current service benefits to members retired at that date or their beneficiaries exceeded the sum of these reserves and City and County of San Francisco contributions reserved for benefits not otherwise funded by \$ 3,047,050. In recognition of this, a mortality stabilization reserve described later in this report has been established.

Reserves for Current Service Benefits
Not Yet Granted - \$ 223,033,954

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amount to \$ 110,583,465, representing the aggregate of the balances reflected on individual members' accounts.

City and County of San Francisco accumulated contributions, \$ 112,450,489 for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1965 interest was credited to these accounts at the rate of four per cent.

City and County of San Francisco Contributions Reserved
for Benefits not Otherwise Funded - \$ 3,329,327

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded consist of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1946, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the re-deposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1964 \$ 3,128,876

Increases

Contributions released by death of active members	15,199	
Interest credited	<u>231,992</u>	<u>247,191</u>
		3,376,067

Decreases

Death benefits paid to beneficiaries of matching plan members		<u>46,740</u>
---	--	---------------

Balance at June 30, 1965 \$ 3,329,327

Unallocated Earnings from the Sale of Bonds - \$ 327,946

Unallocated earnings from sale of bonds represent the unabsorbed portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds

Year ended June 30, 1943	\$ 400,421	
1944	1,418,102	
1945	3,207,543	
1954	31,051	
1955	<u>57,766</u>	5,114,883

Profit applied for 21 years ended June 30, 1964 4,779,243

Balance undistributed at June 30, 1964 335,640

Profit applied for year ended June 30, 1965
Applicable to bonds held at end of the year 7,694

Balance undistributed at June 30, 1965 \$ 327,946

On the books of the System this reserve is carried as a valuation reserve against the amortized value of bond investments.

Contingency Reserve against Adverse Experience - \$ 14,221,464

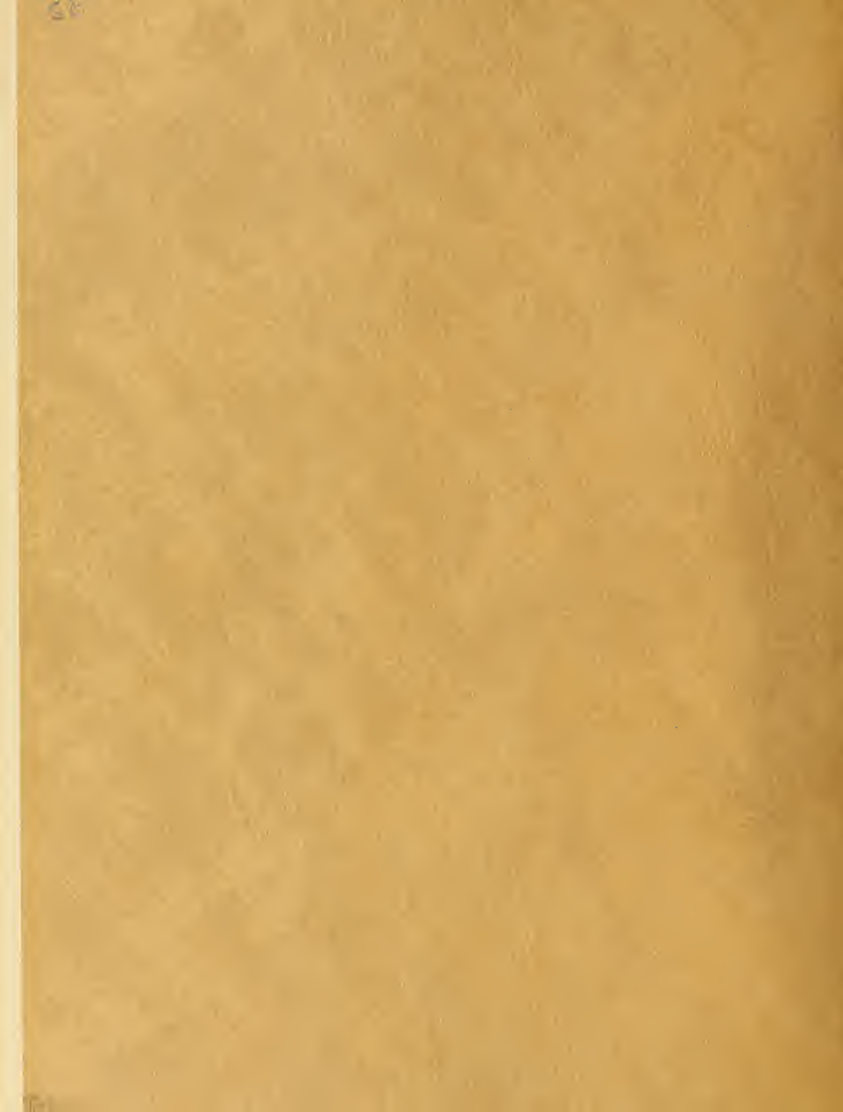
The mortality stabilization reserve, \$ 3,047,050, was established in recognition of the deficiency in the reserves for benefits already granted as determined by an actuarial survey at June 30, 1959. The Retirement Board, on March 29, 1961, directed that a part of the interest over and above that credited to contributions, in the amount of \$ 3,691,866 be held in ledger accounts of the System as a mortality stabilization reserve on account of outstanding retirement and death allowances. On July 29, 1964, the Board directed that the account be reduced to \$ 3,047,050. This amount is based on an actuarial survey dated June 30, 1963. This adjustment is reflected above and is shown below as an increase in the unallocated portion.

The unallocated portion of the contingency reserve against adverse experience, \$ 11,174,414, represents accumulated profits of \$ 1,958,159 on the sale of bonds and interest earned on investments in excess of the amounts allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board, less the amount held as a mortality stabilization reserve.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 14, 1949.

Changes in this account during the year under review were as follows:

Balance, June 30, 1964		\$ 10,239,898
Bond interest earned	12,920,976	
Prior years profit on sale of bonds applied during current year	7,694	
Interest earned on City and County of San Francisco balance	274	
Adjustment as determined by actuarial survey	<u>644,816</u>	
	13,573,760	
Loss on sale of bonds	<u>50,756</u>	<u>13,523,004</u>
		23,762,902
Less Interest credited to accumulated contributions and reserves		<u>12,588,488</u>
Unallocated balance at June 30, 1965		<u>\$ 11,174,414</u>



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Annual Report

of the

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of the

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For the Fiscal Year Ended June 30, 1966



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For the Fiscal Year Ended June 30, 1966



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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

February 21, 1967

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1966 is submitted herewith, as provided by Section 65 of the Charter.

The accounts of the Controller were audited by Main Lafrentz & Co. by direction of the Board of Supervisors, in accordance with provisions of Section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water and Power Project, by John F. Forbes & Company.

Municipal Railway, by Webb & Webb.

San Francisco Airport, Hood and Strong.

San Francisco School Department, by Harold T. Hoertkorn & Co.

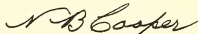
Employees' Retirement System, by Farquhar & Heimbucher.

As prescribed by Section 66 of the Charter, the audit of the Office of the Treasurer of the City and County of San Francisco was made by the Controller's Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

During a substantial period covered by this report, Harry D. Ross held the office of Controller and credit for the sound financial condition reflected therein is in large part due to him.

Very truly yours,



NATHAN B. COOPER

CONTROLLER



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By Webb & Webb

By Hood and Strong

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CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1956-57 to 1965-66

FISCAL YEAR ENDED JUNE 30

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Property Taxes and Rentals.....	\$ 99,181,568	\$ 99,074,852	\$103,423,862	\$111,434,284	\$121,137,086	\$124,240,559	\$141,537,944	\$140,936,655	\$148,694,077	\$165,214,489
Motor Vehicle Fuel Tax.....	11,305,386	13,197,860	15,595,609	17,018,283	16,345,791	17,382,184	18,765,185	18,765,185	18,765,185	18,765,185
Hotel Room Tax.....	2,270,812	1,031,980	1,037,266	1,076,543	1,225,175	1,144,029	1,224,615	1,224,615	1,224,615	1,224,615
Other Taxes and Licenses.....	2,937,851	3,094,354	3,126,196	3,312,166	3,551,792	3,438,471	3,505,605	3,502,094	3,502,094	3,502,094
Court Fines.....	8,757,344	9,562,237	10,601,621	11,416,643	12,171,527	14,640,314	17,537,576	18,718,942	20,011,055	22,563,837
Departmental Revenues.....	3,555,847	3,555,342	3,555,342	3,555,342	3,555,342	3,555,342	3,555,342	3,555,342	3,555,342	3,555,342
Interest on Bonds.....	129,980	166,774	186,603	192,541	202,156	202,156	211,741	211,741	211,741	211,741
San Francisco Unified School District.....	87,276	185,254	177,884	194,724	194,724	194,724	194,724	194,724	194,724	194,724
Housing Authority in Lieu of Taxes.....	118,725.8*	127,483.42	136,124.78	144,385.91	153,443.80	166,382,038	188,437,202	190,345,221	200,824,391	221,760,985
Miscellaneous.....	429,641	242,985	1,760	1,760	750	750	750	750	750	750
Cash Transferred from Capital Funds.....	119,135,447	127,332,437	136,126,310	146,963,230	158,849,552	166,382,038	188,437,202	190,345,221	200,824,391	221,760,985
Gain on Sale of Capital Assets.....	2,218,056	436,673	7,514,035	8,190,759	6,678,511	6,761,267	7,255,675	7,885,224	7,825,842	8,239,992
Revenues Through State of California.....	1,185,907	1,234,572	1,267,336	1,271,137	1,217,220	1,217,750	1,250,000	1,222,837	1,189,796	1,235,375
Shared State Taxes:										
Motor Vehicle Fuel Tax.....	542,769	604,193	691,882	682,619	751,783	801,051	892,662	1,052,739	1,206,335	1,388,250
Ad to Families with Dependent Children.....	3,737,658	4,774,871	5,537,393	6,237,979	7,056,224	8,046,108	8,442,339	9,872,609	12,002,610	13,927,982
Aid to Needy Blind.....	547,634	575,855	592,474	640,287	636,347	595,483	668,694	738,310	802,796	886,492
Aid to Needy Aged.....	11,849,568	12,022,629	12,178,122	12,022,629	11,967,321	11,735,444	12,644,500	13,638,010	14,677,542	15,435,328
Needy Disabled.....	109,826	506,106	455,720	455,720	629,812	837,322	1,396,374	2,219,322	3,736,591	5,762,614
Medical Care Program.....	479,262	1,238,978	824,875	1,537,439	2,218,138	2,571,882	2,842,214	3,513,779	4,238,236	4,828,236
(Needy Children, Blind & Aged)										
California Medical Assist										
Program - Admin.....	90,319	107,610	116,338	130,120	138,655	158,792	173,802	206,474	281,757	346,377
Adoption Program.....	33,225	49,772	52,764	47,125	47,190	42,925	43,271	38,877	46,059	53,768
Homes for Children and Aged.....	11,719,609	12,988,207	13,424,103	13,424,103	14,123,150	14,123,150	14,938,240	15,388,535	15,388,535	15,388,535
School Apportionment from State.....	491,842	553,824	567,374	555,159	551,762	589,603	567,625	583,086	601,054	635,112
County School Service Fund.....	261,408	283,039	284,002	289,280	294,102	299,044	308,660	318,147	307,585	294,171
State Cafeteria.....	1,018,652	1,941,621	1,901,923	1,898,289	1,892,166	1,872,413	1,863,328	1,771,847	1,929,833	2,011,626
Teachers' Retirement.....	61,680	88,829	92,470	93,701	117,445	127,259	134,725	154,725	202,586	202,586
Driver Training Program.....	1,157,997	890,923	1,030,919	1,076,543	1,117,445	1,141,886	1,345,621	1,776,448	2,170,388	2,502,586
Federal Aid to Schools.....	231,978	416,815	145,335	340,062	346,897	369,308	393,862	400,902	443,256	498,397
Tuberculosis Aid Subsidy.....	330,438	275,057	639,763	643,034	626,700	784,905	928,321	1,257,067	1,558,369	1,888,369
Civil Control Program.....	330,438	275,057	639,763	643,034	626,700	784,905	928,321	1,257,067	1,558,369	1,888,369
Mental Hygiene.....	330,438	275,057	639,763	643,034	626,700	784,905	928,321	1,257,067	1,558,369	1,888,369
Other Public Health Subsidies.....	330,438	275,057	639,763	643,034	626,700	784,905	928,321	1,257,067	1,558,369	1,888,369
Aid for Log Cabin Ranch.....	243,220	246,826	246,826	246,826	246,826	246,826	246,826	246,826	246,826	246,826
Fire Boat and Waterfront Expense.....	59,048	59,048	59,048	59,048	59,048	59,048	59,048	59,048	59,048	59,048
Disaster Council and Corps.....	59,048	59,048	59,048	59,048	59,048	59,048	59,048	59,048	59,048	59,048
Youth Authority: Aid for Construction.....	47,705,346	50,402,288	53,611,660	55,449,159	58,879,035	62,313,603	65,748,085	75,154,368	84,700,189	91,530,300
Total Revenues.....	\$15,300,793	\$17,873,725	\$18,973,510	\$20,412,369	\$21,471,369	\$22,535,505	\$26,494,287	\$28,494,580	\$31,530,433	\$34,530,433

* Donates Deduction

** Included in Other Public Health Subsidies in prior years.

† Included in Miscellaneous Revenues in prior years.

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF EXPENDITURES
Fiscal Years 1956-57 to 1965-66

FISCAL YEAR ENDED JUNE 30

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Departmental Expenditures:										
General Government	\$ 10,787,773	\$ 12,501,200	\$ 12,289,237	\$ 13,435,733	\$ 14,150,270	\$ 14,997,753	\$ 17,704,934	\$ 18,467,316	\$ 19,357,669	\$ 21,353,059
Public Safety	24,483,491	25,867,480	26,113,133	28,487,324	30,280,187	32,005,602	33,967,895	35,409,001	37,407,963	38,432,866
Highways	3,569,748	3,770,786	3,783,819	4,110,110	4,188,091	4,696,580	4,578,308	4,069,001	4,984,128	5,686,634
Sanitation and Waste Removal	3,683,729	4,016,225	4,214,077	4,399,582	4,673,023	4,759,614	5,037,809	5,701,714	5,582,102	6,128,122
Conservation of Health	3,208,255	3,343,925	3,530,932	3,782,897	3,934,546	4,207,186	4,473,702	4,570,549	4,747,523	5,015,041
Hospitals	8,139,225	8,608,356	9,185,189	9,726,422	10,196,889	11,580,639	12,571,169	12,943,940	14,010,384	15,625,217
Public Welfare	24,472,876	26,997,631	30,121,833	31,144,486	33,985,316	38,193,554	48,738,018	53,262,721	61,680,163	74,267,579
Education	2,472,876	2,622,899	2,828,793	3,045,240	3,284,800	3,413,255	3,774,341	3,920,223	4,170,153	4,478,943
Fire	37,832,750	42,743,753	47,743,829	51,895,789	56,861,799	61,549,653	66,031,250	69,822,348	74,032,331	78,322,348
Schools	1,303,988	1,396,034	1,513,372	1,636,585	1,861,626	1,549,653	1,815,186	1,954,228	2,141,251	2,322,333
Libraries	6,132,717	6,933,718	7,374,374	7,737,479	8,233,463	8,701,575	9,357,861	9,884,510	10,412,020	11,001,155
Recreation	125,893,231	136,757,390	144,418,794	152,511,141	163,242,736	174,810,066	198,179,254	209,650,967	228,777,926	251,202,396
Total Departmental Expenditures	7,407,000	8,492,000	10,406,000	12,311,000	12,731,000	13,536,000	14,940,000	15,037,000	14,652,000	15,156,000
Bond Redemption	1,835,093	2,297,474	2,914,307	3,161,155	3,119,016	2,949,393	3,057,794	2,837,060	2,617,496	2,526,055
Pensions and Compensation	17,142,220	16,167,712	16,084,201	17,687,793	17,490,749	13,680,996	14,292,788	14,746,648	14,566,478	13,717,098
Contributions to Health Service System			256,342	613,358	701,992	727,720	1,479,019	1,577,255	1,679,917	1,772,755
Contributions to Retirement System										
Contribution to Federal Social Security										
Judgments and Losses	190,333	18,779	101,982	156,369	1,044,838	1,139,443	1,352,284	1,663,718	1,774,796	2,980,168
Support of Public Service					74,403	209,742	1,464,185	100,184	216,219	314,894
Buses										
Airports	1,323,029	3,452,414	5,883,802	5,339,839	5,454,608	5,762,319	6,279,909	6,991,929	7,359,122	9,252,971
Municipal Railway										
Public Utilities Commission:										
Light, Heat and Power										
Bureau	188,436	70	664	713						
Capital Additions From Revenues	5,494,473	5,829,651	8,618,422	6,352,217	7,201,345	8,057,768	9,279,430	7,455,434	11,267,287	9,989,286
Transfers to Capital and Trust Funds										
Construction	230,111	176,738	123,500	109,506	92,852	97,220	165,659	120,013	967,500	1,772,755
Assessment	13,000	17,000	132,000	132,000	132,000				175,951	131,876
Other Civil Divisions			225,778	405,996						
Miscellaneous, net	952,514*	1,536,731	1,342,988	225,778		42,380	27,070	24,338	32,315	35,038
Total Expenditures	\$102,379,214	\$174,860,979	\$190,288,002	\$198,600,002	\$198,600,002	\$221,751,535	\$221,013,247	\$250,517,892	\$260,204,546	\$284,087,207
Total Expenditures										\$307,028,537

*Denotes Credit

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1956-57 to 1965-66

FISCAL YEAR ENDED JUNE 30

	1957 (a)	1958 (a)	1959 (a)	1960 (a)	1961 (a)	1962 (a)	1963 (a)	1964 (a)	1965 (a)	1966 (a)
Water Sales	\$13,262,961	\$13,699,044	\$14,875,439	\$15,646,088	\$15,656,772	\$16,413,844	\$15,658,453	\$16,720,252	\$17,401,022	\$18,158,956
Operating Expenses:										
Provision for Depreciation	1,130,856	1,160,692	1,173,932	1,416,187	1,410,685	1,484,352	1,514,736	1,557,505	1,663,842	1,920,833
Other Operating Expenses	8,359,446	8,652,230	9,771,630	10,052,058	10,186,508	10,635,052	11,524,011	11,555,878	11,990,774	13,754,501
	9,490,302	9,812,922	10,945,562	11,468,245	11,597,193	12,119,404	13,038,747	13,113,383	13,654,616	15,675,334
Profit from Operations	3,772,659	3,886,122	3,929,877	4,177,843	4,059,579	4,294,440	2,619,706	3,606,869	3,746,406	2,483,622
Other Income	408,528	775,729	482,643	1,294,136	1,702,070	1,021,573	913,235	1,174,832	1,075,166	1,091,509
	4,181,187	4,661,851	4,412,520	5,471,979	5,761,649	5,316,013	3,532,941	4,781,701	4,821,572	3,575,131
Other Expenses:										
Interest on Bonded Debt	782,031	724,963	665,210	604,654	544,525	484,484	423,757	362,686	311,971	607,482
Other	97,204	110,905	172,687	64,404	59,589	69,627	80,982	105,402	75,172	70,302
	879,235	835,868	837,897	669,058	604,114	554,111	504,739	468,088	387,143	677,784
Net Income	\$3,301,952	\$ 3,825,983	\$ 3,574,623	\$ 4,802,921	\$ 5,157,535	\$ 4,761,902	\$ 3,028,202	\$ 4,313,613	\$ 4,434,429	\$ 2,897,347

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS

Fiscal Years 1956-57 to 1965-66

FISCAL YEAR ENDED JUNE 30

	1957 (a)	1958 (a)	1959 (a)	1960 (a)	1961 (a)	1962 (a)	1963 (a)	1964 (a)	1965 (a)	1966 (a)
Power Sales.....	\$4,804,325	\$4,900,849	\$5,379,041	\$6,593,186	\$6,948,453	\$8,572,792	\$8,930,781	\$10,794,462	\$10,789,731	\$11,314,664
Standby Charge and Sale of Water to the S. F. Water Dept	4,030,000	4,030,000	4,500,000	4,500,000	4,500,000	4,600,000	5,000,000	4,500,000	4,500,000	5,800,000
	8,834,325	8,930,849	9,879,041	11,093,186	11,448,453	13,172,792	13,930,781	15,294,462	15,289,731	17,114,664
Operating Expenses:										
Provision for Depreciation	1,914,026	1,910,742	1,920,811	1,893,673	1,889,368	2,470,318	2,476,798	2,532,078	2,607,717	2,727,764
Other Operating Expenses	3,645,177	3,721,576	4,351,980	5,575,584	4,598,992	6,585,611	4,012,537	4,999,389	6,562,805	5,901,480
	5,559,203	5,632,318	6,272,791	7,469,257	6,488,360	9,055,929	6,489,335	7,531,467	9,170,522	8,629,244
Profit from Operations	3,275,122	3,298,531	3,606,250	3,623,929	4,960,093	4,116,863	7,441,446	7,762,995	6,119,209	8,485,420
Other Income	109,527	100,342	123,598	67,274	54,969	212,958	82,857	73,273	72,887	138,546
	3,384,649	3,398,873	3,729,848	3,691,203	5,015,062	4,329,821	7,524,303	7,836,268	6,192,096	8,623,966
Other Expenses:										
Interest on Bonded Debt.....	1,380,333	1,275,916	1,164,940	1,053,677	942,708	1,822,735	1,498,108	1,237,935	1,125,097	1,162,413
Other .....	.....	11,188	.....	.....	.....	.....	.....	8,680	2,568	524
	1,380,333	1,287,104	1,164,940	1,053,677	942,708	1,822,735	1,498,108	1,246,615	1,127,665	1,162,937
Net Income	\$2,004,316	\$2,111,769	\$2,564,908	\$2,637,526	\$4,072,354	\$2,507,086	\$6,026,195	\$6,589,653	\$5,064,431	\$7,461,029

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS

Fiscal Years 1956-57 to 1965-66

FISCAL YEAR ENDED JUNE 30

	1957	1958	1959	1960	1961	1962	1963	1964 (a)	1965 (a)	1966 (a)
Revenues	\$20,242,262.43*	\$19,842,117.52	\$19,818,276.67	\$19,941,385.68	\$19,825,869.89	\$19,899,907.13	\$19,891,544.58	\$20,053,627	\$19,904,815	\$20,350,849
Operating Expenses:										
Depreciation	1,041,798.34	1,056,028.47	1,074,052.21	1,068,122.41	1,041,337.81	1,042,646.77	1,030,412.07	995,768	756,239	770,641
Other Operating Expenses ..	20,931,375.55	21,732,587.20	22,381,559.32	23,434,834.52	24,735,997.70	24,896,125.56	25,524,583.05	26,307,427	27,257,553	28,621,100
	21,973,173.89	22,788,615.67	23,455,611.53	24,502,956.93	25,777,335.51	25,938,772.33	26,554,995.12	27,303,195	28,013,792	29,391,741
Profit from Operations	1,730,911.46*	2,946,498.15*	3,637,334.86*	4,501,571.25*	5,951,465.62*	6,038,865.20*	6,663,450.54*	7,249,568 *	8,108,977*	9,040,892*
Other Income	95,299.57	172,092.29	78,942.16	82,299.12	80,877.30	64,794.84	64,869.30	64,434	67,913	134,918
	1,635,611.89*	2,774,405.86*	3,588,392.70*	4,479,272.13*	5,870,588.32*	5,974,070.36*	6,598,581.24*	7,185,134 *	8,041,064*	8,905,974*
Other Expenses:										
Interest on Bonded Debt ..	200,922.05	182,051.07	153,631.45	122,907.90	93,187.94	63,151.24	33,027.92	7,383	320	.....
Other	93,358.55	73,649.11	79,324.38	110,237.34	16,054.22	44,206.17	175,976.28	92,714	1,555	.....
	294,280.60	255,700.18	232,955.83	233,205.24	109,242.16	107,357.41	209,004.20	100,097	1,875	.....
Net Income	\$1,999,892.49*	\$3,030,106.04*	\$3,791,348.53*	\$4,712,477.37*	\$5,979,830.48*	\$6,081,427.77*	\$6,807,585.44*	\$7,285,231 *	\$8,042,939*	\$8,905,974*

*Deducts Loss.

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1956-57 to 1965-66

FISCAL YEAR ENDED JUNE 30

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Revenues:										
Landing Charges	\$ 524,316.77	\$ 782,302.59	\$ 969,365.05	\$1,177,792	\$1,241,962	\$1,433,118	\$1,607,636	\$1,782,815	\$2,025,232	\$ 2,369,216
Rentals	909,322.81	902,488.11	945,384.48	1,157,737	1,434,628	1,586,642	1,702,313	2,126,858	2,587,001	3,039,662
Other	1,497,532.18	1,735,589.77	1,991,388.36	2,699,639	2,870,412	3,162,215	3,442,318	3,860,972	4,433,664	6,100,064
	2,930,971.76	3,420,380.47	3,906,137.89	5,034,668	5,547,002	6,181,975	6,752,267	7,770,645	9,045,897	11,508,942
Operating Expenses:										
Depreciation	1,034,550.22	1,037,458.19	938,835.86	1,094,635	1,210,920	1,352,548	1,432,904	1,386,384	2,013,916	2,027,607
Other Operating Expenses	1,576,111.88	1,617,240.98	1,691,756.56	1,866,731	2,152,703	2,223,422	2,426,153	3,122,121	3,495,612	3,958,002
	2,610,662.10	2,654,699.17	2,630,592.42	2,961,366	3,363,623	3,575,970	3,859,057	4,508,505	5,509,528	5,985,609
Profit from Operations:	320,309.66	765,681.30	1,275,545.47	2,073,302	2,183,379	2,606,005	2,893,210	3,262,140	3,536,369	5,523,333
Other Income	153,133.22	162,694.66	214,606.60	44,377	10,710	66,391	92,380	21,809		
	473,442.88	928,375.96	1,490,152.07	2,117,679	2,194,089	2,672,396	2,985,590	3,283,949	3,536,369	5,523,333
Interest on Bonded Debt:	138,540.00	111,466.05	86,476.03	166,511	244,700	399,243	319,722	506,748	519,334	629,156
Other Expenses	57,896.23	(4,952.20)	471,532.98	.....	.....	.....	.....	342,731	5,320	6,907
	196,436.23	106,513.85	558,009.01	166,511	244,700	399,243	319,722	849,479	524,654	636,063
Net Income:	\$ 277,006.65	\$ 821,862.11	\$ 932,143.06	\$1,951,168	\$1,949,389	\$2,273,153	\$2,665,868	\$2,434,470	\$3,011,715	\$ 4,887,270

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTY
FOR THE TEN YEAR PERIOD JULY 1, 1956 TO JUNE 30, 1966

	Increase or Decrease*				Balance June 30, 1966			
	Total	Land	Buildings, Structures, Improvements	Equipment	Total	Land	Buildings, Structures, Improvements	Equipment
GENERAL GOVERNMENT								
Civic Center and City Hall	\$ 3,799,830.74	\$ 82,500.00	\$ 2,096,323.21	\$ 1,661,007.53	\$ 13,530,427.36	\$ 1,881,021.80	\$ 6,272,733.19	\$ 5,376,672.37
Police Department	6,236,547.14	150,250.70	3,564,685.19	2,601,611.25	24,355,191.27	1,119,646.44	15,915,910.47	7,319,543.36
Fire Department	21,463,821.12	870,005.00	17,250,214.47	3,343,601.65	26,039,382.42	1,462,552.10	19,326,533.20	5,250,296.12
Department of Electricity	1,049,230.12	247,652.54	694,060.07	107,517.51	2,010,445.06	291,652.54	1,431,882.52	286,970.72
STREETS								
Streets, Tunnels, Bridges, etc.	41,580,012.67	9,241,532.46	31,599,205.85	639,274.36	148,394,897.10	21,994,774.91	125,400,239.78	999,882.41
Asphalt Plant	5,004,009.77*		5,004,009.77*		633,145.17		518,412.60	174,732.57
Off-Street Parking	5,638,009.02	5,394,963.48	243,065.54		6,579,602.62	6,283,702.90	295,899.72	
SEWERAGE								
Sanitary Sewage Disposal Plants	19,723,464.22	245,196.57	19,100,191.61	378,076.04	80,027,669.69	2,011,624.47	77,231,815.43	784,825.79
Garbage Incinerator	588,784.21			588,784.21	80,142.60	15,000.00	65,142.60	1,265,105.48
HAZARDOUS WASTE								
Hazardous Waste	222,111.64		136,470.15	85,641.49	1,572,098.94	29,442.00	1,283,077.67	259,593.27
Civic Center Health Building	572,019.95		60,210.06	311,809.89	1,763,098.19	156,013.49	968,954.26	656,130.44
Excelsior Health Center	1,120,630.62	232,915.53	887,715.09		1,855,083.54	14,335.00	66,618.18	4,130.36
HOSPITALS								
San Francisco General Hospital	8,386,673.81		6,932,780.06	1,453,893.75	16,359,516.42	674,926.97	12,881,704.97	2,802,884.48
Emergency Hospitals	194,445.96		3,252.48	191,193.50	521,932.26	10,999.70	86,221.63	428,710.93
PLACER HOSPITAL								
Placerville Hospital	6,286,869.59		5,405,701.24	881,168.35	12,321,562.41	25,062.15	10,594,430.81	1,712,069.45
Department of Social Services	1,266,367.47	52,555.00	795,025.02	418,787.45	1,697,598.92	190,055.00	988,303.27	519,240.65
CONNECTION								
County Jail	22,851.53		12,401.37	10,369.96	305,662.29	38,156.52	927,632.22	39,873.55
Youth Guidance Center	460,836.78		313,527.65	147,509.13	4,807,983.58	50,400.00	4,524,725.58	232,855.00
Juvenile Log Cabin Ranch	899,270.64	4,194.00*	895,837.58	37,627.06	1,102,176.14	20,916.09	1,035,038.32	46,221.73
SCHOOLS								
San Francisco School	43,345,805.31	614,218.97	36,164,934.57	6,566,955.07	148,897,690.37	14,882,512.18	117,983,568.06	16,221,608.13
RECREATION								
Playgrounds	25,323,876.97	8,924,064.61	15,970,111.55	929,700.81	67,045,461.86	32,972,171.23	31,905,844.45	2,167,446.18
Museums, Art Galleries, etc.	7,518,090.03		7,569,972.14	148,117.89	9,430,119.31	463,187.20	8,978,696.36	511,422.93
War Memorial and Opera House	12,594,986.59		12,594,986.59	27,185.30	5,621,695.31	463,187.20	4,971,090.64	187,417.47
Auditorium and Exhibit Hall	12,594,986.59		12,594,986.59	27,185.30	5,621,695.31	463,187.20	4,971,090.64	187,417.47
Kezar Stadium	264,158.94		264,158.94	496,424.24	2,512,993.03	222,831.48	1,767,590.50	596,644.95
OTHER								
Central Warehouse & Corp. Yard	1,347,219.19	151,034.11	1,196,185.08	22,840.93	2,462,146.22	494,459.64	1,969,205.12	8,481.45
Miscellaneous	569,466.67	77,355.08	492,111.59	287,743.16	1,316,575.78	153,855.06	1,162,720.72	666,234.65
Relinquished War Housing	400,620.70	400,620.70			400,620.70			
Total	\$215,079,075.76	\$26,911,404.03	\$164,315,151.31	\$23,852,530.42	\$607,563,732.55	\$98,130,443.15	\$466,294,656.67	\$53,178,632.73

* Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTY - BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1956 TO JUNE 30, 1966

SOURCE OF FUNDS	Total	Land	Buildings, Structures, Improvements	Equipment
CAPITAL FUNDS:				
General Fund	\$ 27,117,254.41	\$ 942,840.05	\$ 13,035,521.79	\$ 13,138,922.57
Recreation & Park	3,307,409.96	2,093,722.76	1,058,695.72	155,791.50
War Memorial	2,150,656.75	151,669.76	1,828,186.16	212,770.83
Legion of Honor	154,650.62		129,081.42	25,569.20
Special Gas Tax Street Improvement	21,293,990.88	8,189,247.64	15,066,141.24	1,991.82
San Francisco School District	13,473,116.87	1,661,449.19	11,755,497.56	3,591.12
S.F.U.D.D. Special Reserve	1,150,683.46	1,150,683.46		
Children's Centers	65,863.05	13,396.44	725,272.18	4,084,194.83
Publicity & Advertising	17,788.98		7,788.98	65,863.05
Capital Improvement Fund	1,795,995.37	4,175.20	1,791,820.17	13,272.40
Off-Street Parking	1,384,187.19	1,132,461.53	238,725.67	13,685.79
Employees' Retirement-Current	\$ 1,327.00			\$ 1,327.00
CAPITAL FUNDS:	\$ 80,427,555.64	\$ 13,994,799.42	\$ 45,471,596.50	\$ 20,961,159.72
Real Property - General	\$ 617,776.96*	\$ 452,253.54*	\$ 165,223.42*	\$ 25,999.94
1944 Property	350,460.40	274,646.75	20,818.72	35,000.00
1944 Sewers	1,100,822.18	73,792.00*	1,117,451.70	35,000.00
1944-48 Juvenile Court	27,629.99	90,906.04	5,677,325.69	1,000,000.00
1947 Recreation	3,129,439.48	231,238.29	2,842,493.54	5,000,000.00
1946 Off-Street Parking	4,253,493.95	4,253,493.95		
1946 Off-Street Parking	5,985,812.84	2,720.98*	5,985,812.84	
1948 School Treatment	2,932,937.19		2,932,937.19	
1954 Firehouse	10,718,669.93	56,035.90	10,662,634.03	335,364.89
1954 Sewers	9,984,237.28	245,919.69	9,738,317.59	269,987.24
1954 San Francisco Hospital	6,502,580.11	5,000,000.00	1,502,580.11	
1954 Recreation	18,729,109.65	76,933.25	17,117,694.75	834,981.65
1954 Hallway	26,699,312.65	26,699,312.65		
1956 Schools	1,204,331.88		1,204,331.88	
1956 Police of Fine Arts (1)	8,069,066.79	938.86	8,068,127.93	
1959 Civic Auditorium	5,382,384.30		5,382,384.30	
1959 Firehouse	1,070,580.00	1,070,580.00		
1960 Sewers	1,363,684.75		1,363,684.75	
1964 Sewerage & Sewage Disposal	290,006.61		290,006.61	
1964 Firehouse	469,495.12		469,495.12	
1964 Street Lighting	400,650.70		400,650.70	
Relinquished War Housing	\$ 127,307,133.07	\$ 12,916,294.61	\$ 112,172,947.85	\$ 2,817,610.63
TRUST FUNDS:				
Neil V. O'Connell Trust	\$ 654.49			\$ 1,343.61
Reits Highways Trust	82,033.99			
Steinberg Request - School	28,033.99			
Steinberg Request - School	618,205.49			
Left Stroum Foundation	8,937.83			
Sharp Park Archery Range	271,277.13			
Striking Request	29,125.56			
Steinbrum Request	5,004,682.29			
Palace of Fine Arts Trust (1)	18,364.73			
Fuhrman Request	586,149.28			
Palace of Fine Arts Trust - School	6,670,965.96			
Fund for Advancement of Education - School	1,685.67			
Other Trusts	\$ 6,746,087.05	\$ 10.00	\$ 6,670,965.96	\$ 73,564.07
Total	\$ 812,075,075.76	\$ 26,931,464.02	\$ 124,125,141.21	\$ 23,052,590.46

* Denotes Decrease
(1) Expenditures of funds of the 1959 Palace of Fine Arts Bond Fund and the Walter S. Johnson Gift Fund are currently included in undistributed expenditures of the Palace of Fine Arts Bond Fund.

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1957-58 to 1966-67

	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject To City & Co. Ad Valorem Rate	Rate	Solvent Credits Taxed @ 10¢ per \$100	Total Roll
1957-58 Unsecured - City and County Assessor.....	.....	.....	263,114,805	3,562,157	259,532,648	7.06	838,652,023	1,098,204,671
Secured - City and County Assessor.....	356,153,315	622,670,687	10,275,298	592,422,666	929,678,634	7.37	9,241,983	938,920,617
Secured - State Board of Equalization.....	19,902,920	79,799,130	50,925,980	.....	150,628,030	7.37	79,602,310	230,230,340
Total.....	\$376,058,235	\$702,469,817	\$324,316,083	\$62,984,823	\$1,339,859,312		\$927,496,316	\$2,267,355,628
1958-59 Unsecured - City and County Assessor.....	.....	.....	267,120,112	4,380,414	262,739,698	7.37	\$44,305,649	807,045,347
Secured - City and County Assessor.....	355,052,835	638,301,790	8,886,359	60,964,309	941,276,675	7.35	2,776,669	944,053,344
Secured - State Board of Equalization.....	19,745,310	89,209,890	51,934,510	.....	160,889,710	7.55	26,533,800	187,423,510
Total.....	\$374,798,145	\$727,511,680	\$327,940,981	\$65,344,723	\$1,364,906,083		\$573,616,118	\$1,938,522,201
1959-60 Unsecured - City and County Assessor.....	.....	.....	268,846,158	4,338,451	264,507,707	7.55	\$84,767,007	849,274,714
Secured - City and County Assessor.....	356,672,585	671,187,115	9,220,735	78,593,158	958,487,367	8.09	3,411,908	961,899,475
Secured - State Board of Equalization.....	17,312,710	96,042,410	55,103,810	.....	168,458,930	8.09	35,101,660	203,560,590
Total.....	\$373,985,295	\$767,229,755	\$333,170,763	\$82,931,609	\$1,391,454,204		\$623,280,575	\$2,014,734,779
1960-61 Unsecured - City and County Assessor.....	.....	.....	278,295,567	4,047,039	274,248,528	8.09	\$77,974,366	852,222,894
Secured - City and County Assessor.....	356,844,505	703,194,575	9,371,080	78,425,219	990,984,941	8.48	2,540,506	993,525,447
Secured - State Board of Equalization.....	15,804,520	97,283,910	57,238,590	.....	170,327,020	8.48	43,998,810	214,325,830
Total.....	\$372,649,025	\$800,478,485	\$344,905,237	\$82,472,258	\$1,435,560,489		\$624,513,682	\$2,060,074,171
1961-62 Unsecured - City and County Assessor.....	.....	.....	285,826,664	2,862,059	282,964,605	8.48	\$93,703,945	876,668,550
Secured - City and County Assessor.....	361,467,485	731,851,025	9,662,030	81,005,647	1,021,974,893	8.31	2,244,216	1,024,219,109
Secured - State Board of Equalization.....	15,788,860	100,973,570	60,516,980	.....	177,279,410	8.31	47,918,010	225,197,420
Total.....	\$377,256,345	\$832,824,595	\$356,005,674	\$83,867,706	\$1,482,218,908		643,866,171	\$2,126,085,079
1962-63 Unsecured - City and County Assessor.....	.....	.....	298,913,074	2,706,066	296,207,008	8.31	628,939,481	925,146,489
Secured - City and County Assessor.....	365,279,560	764,204,820	9,637,171	82,453,740	1,056,667,811	9.39	1,968,151	1,058,635,962
Secured - State Board of Equalization.....	15,050,310	100,932,950	61,766,220	.....	177,749,480	8.31	50,343,100	228,092,580
Total.....	\$380,329,870	\$865,137,770	\$370,316,465	\$85,159,806	\$1,530,624,299		\$681,250,732	\$2,211,875,031
1963-64 Unsecured - City and County Assessor.....	.....	.....	303,014,358	2,575,325	300,439,033	9.39	638,043,205	938,482,238
Secured - City and County Assessor.....	369,398,960	799,360,640	12,656,776	83,733,775	1,097,682,601	8.82	.....	1,097,682,601
Secured - State Board of Equalization.....	14,645,880	102,392,810	64,571,220	.....	181,609,910	8.82	43,774,690	225,384,600
Total.....	\$384,044,840	\$901,753,450	\$380,242,354	\$86,309,100	\$1,579,731,544		\$681,817,895	\$2,261,549,439
1964-65 Unsecured - City and County Assessor.....	.....	.....	316,927,404	2,317,450	314,609,954	8.82	620,499,010	935,108,964
Secured - City and County Assessor.....	376,615,745	842,183,095	9,803,488	86,493,848	1,142,108,480	9.23	1,142,108,480	1,142,108,480
Secured - State Board of Equalization.....	16,085,440	104,781,980	63,478,020	.....	184,345,440	9.23	26,133,530	210,478,970
Total.....	\$392,701,185	\$946,965,075	\$390,208,912	\$88,811,298	\$1,641,063,874		\$646,632,540	\$2,287,696,414
1965-66 Unsecured - City and County Assessor.....	.....	.....	322,537,585	2,416,360	320,121,225	9.23	636,777,599	956,898,824
Secured - City and County Assessor.....	377,580,480	878,813,113	11,041,060	89,659,783	1,177,774,870	10.168	.....	1,177,774,870
Secured - State Board of Equalization.....	15,989,160	109,944,470	64,681,760	.....	190,615,390	10.168	64,332,440	254,947,830
Total.....	\$393,569,640	\$988,757,583	\$398,260,405	\$92,076,143	\$1,681,511,485		\$701,110,039	\$2,389,621,524
1966-67 Unsecured - City and County Assessor.....	.....	.....	355,896,250	1,966,133	353,930,117	10.168	679,466,383	1,033,396,500
Secured - City and County Assessor.....	382,331,205	915,841,819	10,883,610	92,571,556	1,216,485,078	10.61	.....	1,216,485,078
Secured - State Board of Equalization.....	16,090,060	112,244,770	64,769,700	.....	193,104,530	10.61	70,333,620	263,438,150
Total.....	\$398,421,265	\$1,028,086,589	\$431,549,560	\$94,537,689	\$1,763,519,725		\$749,800,003	\$2,513,319,725

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1957-58 to 1966-67

	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67
General Fund - Charter Limit \$1.65...	1.243634	1.311502	1.342371	1.531469	1.235552	1.500078	1.161133	1.347489	1.329611	1.397850
General Fund - Other Necessary Expenditures Not Limited	2.202347	2.280775	2.508254	2.548892	2.932095	3.315633	2.913966	2.993933	3.415110	3.493997
Unified School District.....	2.043149	1.825645	2.006816	2.208749	2.162079	2.402535	2.566426	2.610678	2.784494	2.956788
Development Centers										
Handicapped Children .....										.002746
Recreation and Park .....	.380491	.446001	.440604	.537071	.530765	.541804	.469479	.497869	.533017	.510719
Library .....	.110176	.113349	.124220	.143518	.140442	.155509	.165724	.169163	.175977	.202341
Employees' Retirement .....	.993125	.989527	1.042061	.978457	.768904	.834029	.834734	.764044	.791113	.793601
Bond Interest and Redemption .....	.078257	.059917	.054911	.047361	.028633	.038034	.024391	.020224	.019400	.017472
de Young Museum .....	.024192	.027594	.035697	.029683	.031037	.034086	.033685	.033447	.037083	.040655
California Palace of the Legion of Honor .....	.018806	.018640	.021387	.021099	.019867	.022907	.022602	.021449	.023103	.029169
War Memorial .....	.022137	.022564	.029383	.018882	.017706	.020391	.021639	.026662	.025737	.066787
Publicity and Advertising.....	.019763	.019423	.021707	.020707						
Tax Judgments										
Children Centers .....	.019054	.014711	.018300	.029485	.008141	.016679	.025169	.023675	.039440	.033878
Bay Area Air Pollution Control Dist. ....	.008536	.009394	.009397	.009426	.009189	.009224	.009173	.009130	.011565	.010978
Lighting Public Streets and Buildings...	.079450	.084835	.079969	.083566	.089482	.078185	.136227	.103132	.122648	.115628
Special Election Fund .....									.000373	
Municipal Railway .....	.126883	.339123	.315923	.254635	.316108	.416906	.351652	.439105	.551329	.520391
Total	7.37	7.533	8.051	8.463	8.29	9.386000	8.736000	9.060000	9.86000	10.193
S. F. Bay Area Rapid Transit District		.017	.039	.017	.02	.004000	.084000	.170000	.308000	.417

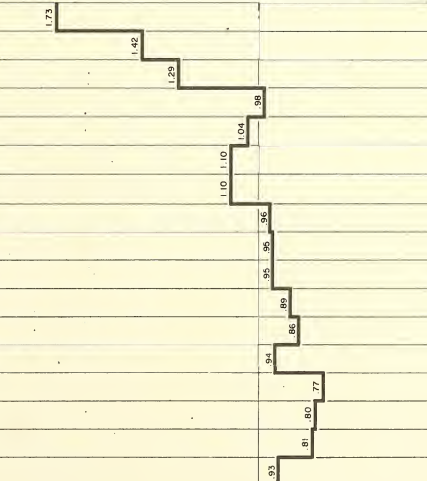
CITY AND COUNTY OF SAN FRANCISCO

PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING JUNE 30.

%	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
2																	

2



N B COOPER, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES

Fiscal Years 1958-59 to 1965-66

Fiscal Year	Amount of Levy	Amount	Uncollected at June 30, %	Uncollected at June 30, 1966 %
1958-59	\$ 33,337,812	442,132	1.32	16,815 .05
1959-60	32,572,922	390,407	1.19	25,792 .08
1960-61	35,162,785	367,339	1.04	41,736 .12
1961-62	36,469,225	354,994	.97	66,108 .18
1962-63	37,469,083	288,158	.76	60,409 .16
1963-64	36,797,771	254,508	.69	48,287 .15
1964-65	39,647,406	282,652	.66	32,361 .08
1965-66	41,184,589	380,975	.93	36,670 .09
1966-67	47,274,328	457,773	.97	46,772 .10
1967-68	51,718,354	602,680	1.17	87,513 .17
1968-69	60,779,270	669,631	1.10	98,049 .16
1969-70	60,858,563	567,617	.93	78,372 .13
1970-71	66,522,057	537,393	.81	61,680 .09
1971-72	70,596,215	561,703	.80	89,925 .15
1972-73	69,347,162	531,525	.77	77,644 .11
1973-74	70,082,542	716,632	.94	84,236 .11
1974-75	84,509,028	724,612	.86	95,730 .11
1975-76	89,391,123	799,165	.89	121,444 .14
1976-77	93,280,375	882,671	.95	97,752 .10
1977-78	99,165,664	942,150	.95	98,211 .10
1978-79	103,591,182	992,948	.96	128,097 .12
1979-80	111,875,051	1,232,046	1.10	128,496 .11
1980-81	121,671,012	1,331,620	1.10	163,052 .13
1981-82	124,811,125	1,394,666	1.04	204,121 .16
1982-83	141,781,663	1,387,550	.98	273,336 .19
1983-84	142,253,147	1,842,177	1.29	456,583 .32
1984-85	151,292,591	2,142,509	1.42	760,733 .50
1985-86	170,255,714	2,949,719	1.73	2,949,719 1.73

CITY AND COUNTY OF SAN FRANCISCO

TAX YIELD

FISCAL YEAR 1966-67

	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE</u>
Taxes on Property Assessed by City & County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	\$1,298,173,024		
Tangible Personal Property	10,883,610		
	<u>\$1,309,056,634</u>		
Less Veterans & Welfare Exemptions	92,571,556		
Total	<u>\$1,216,485,078</u>	<u>\$129,067,658.06</u>	<u>\$10.61</u>
Unsecured Personal Property (Collected):			
Tangible Personal Property	\$ 35,072,776		
Less Veterans & Welfare Exemptions	1,699,195		
	<u>\$ 33,373,581</u>	<u>\$ 3,393,329.67</u>	<u>10.168</u>
Solvent Credits	87,873,451	87,866.74	.10
Total	<u>\$ 121,247,032</u>	<u>\$ 3,481,196.41</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	\$ 320,823,474		
Less Veterans & Welfare Exemptions	266,938		
	<u>\$ 320,556,536</u>	<u>\$ 32,593,961.42</u>	<u>10.168</u>
Solvent Credits	591,592,932	591,578.25	.10
Total	<u>\$ 912,149,468</u>	<u>\$ 33,185,539.67</u>	
Total Assessed by City and County Assessor	<u>\$2,249,881,578</u>	<u>\$165,734,394.14</u>	
Taxes on Property Assessed by State Board of Equalization:			
Real Estate and Improvements	\$ 128,334,830		
Tangible Personal Property	64,769,700		
	<u>\$ 193,104,530</u>	<u>\$ 20,488,390.42</u>	<u>10.61</u>
Solvent Credits	70,333,620	70,333.58	.10
Total Assessed by State Board of Equalization	<u>\$ 263,438,150</u>	<u>\$ 20,558,724.00</u>	
Total of Above Assessments	<u>\$2,513,319,728</u>		
Total Tax Yield		<u>\$186,293,118.14</u>	

STATEMENT OF BONDING CAPACITY OF SAN FRANCISCO

AS AT JUNE 30, 1966

(Excluding Bonding Capacity of the S. F. Unified School District (1))

Maximum Limit:

12% of the 1966-67 Assessment Roll (\$2,513,319,728) \$301,598,367

Bonded Debt Unmatured June 30, 1966:

Total	\$ 199,700,000	
Exempt from 12% Limit (2)	<u>51,475,000</u>	<u>148,225,000</u>

Limit of Future Bond Sales (Subject to 12% Limit)	<u><u>\$153,373,367</u></u>
---	-----------------------------

Unissued Bonds June 30, 1966:

	Subject to 12% Limit	Exempt from 12% Limit	Total
1954 Sewers	\$ 355,000		
1955 Playgrounds & Recreation Centers	405,000		
1956 Hall of Justice	760,000		
1960 Sewers	2,250,000		
1961 Municipal Water System		76,460,000	
1964 Sewerage and Sewage Disposal	14,323,000		
1964 Street Lighting	6,600,000		
1964 Log Cabin Ranch	1,300,000		
1964 School	29,465,000		
1964 Fire Department	3,790,000		
1965 Medical Center	<u>33,670,000</u>		
	<u>\$92,918,000</u>	<u>\$76,460,000</u>	<u>\$169,378,000</u>

- (1) The City and County of San Francisco is a municipal corporation known by name as San Francisco. It performs all functions of a City and County.

The San Francisco Unified School District is the only school district in San Francisco, with geographic boundaries coterminous with the boundaries of San Francisco. It performs all the functions of elementary, high school, and junior college districts.

The Education Code of the State of California, Section 21802, provides that any unified school district maintaining a junior college may issue bonds not to exceed 15 percent of the taxable property of the district as shown by the last equalized assessment roll. To date the School District has not sold any bonds. All items herein designated "School Bonds" are general obligation bonds of the City and County of San Francisco, for school purposes.

- (2) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:
- For water supply, storage or distribution purposes.
 - For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (none issued)

ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENT

BASED ON BONDED INDEBTEDNESS AT JUNE 30, 1966

General City Including

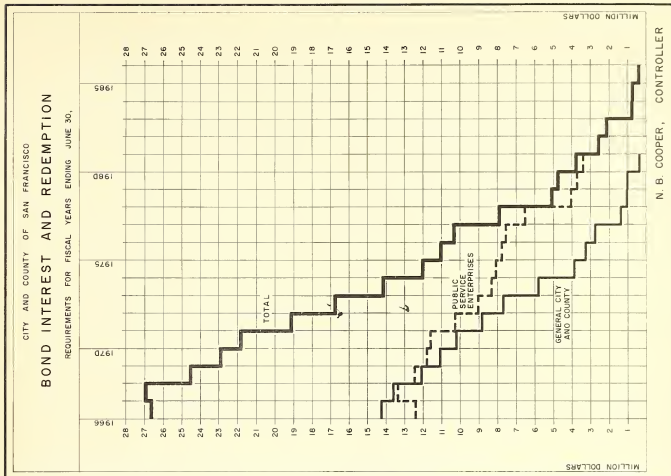
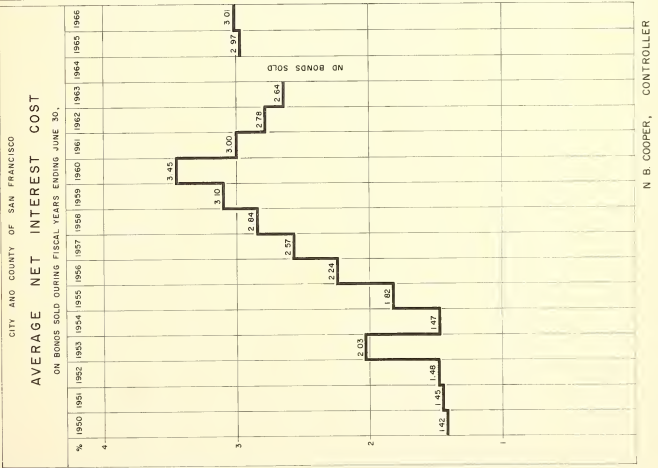
S.F. Unified School District

Public Service Enterprises

Fiscal Year	Grand Total	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1966-67	\$ 26,651,194	\$ 14,237,225	\$ 11,970,000	\$ 2,267,225	\$ 12,413,969	\$ 9,050,000	\$ 3,363,969
1967-68	26,978,030	13,610,069	11,655,000	1,955,069	13,367,961	10,315,000	3,052,961
1968-69	24,546,861	12,079,388	10,405,000	1,674,388	12,467,473	9,725,000	2,742,473
1969-70	22,911,933	11,105,406	9,695,000	1,410,406	11,806,527	9,365,000	2,441,527
1970-71	21,845,357	10,229,681	9,075,000	1,154,681	11,615,676	9,465,000	2,150,676
1971-72	19,148,306	8,860,775	7,955,000	905,775	10,287,531	8,410,000	1,877,531
1972-73	16,785,431	7,725,575	7,045,000	680,575	9,059,856	7,430,000	1,629,856
1973-74	14,144,512	5,820,362	5,330,000	490,362	8,324,150	6,910,000	1,414,150
1974-75	12,010,507	3,892,269	3,535,000	357,269	8,118,238	6,910,000	1,208,238
1975-76	11,059,507	3,278,044	3,025,000	253,044	7,781,463	6,780,000	1,001,463
1976-77	10,351,094	2,769,531	2,600,000	169,531	7,581,563	6,785,000	796,563
1977-78	7,934,175	1,405,638	1,310,000	95,638	6,528,537	5,935,000	593,537
1978-79	5,109,538	1,072,075	1,015,000	57,075	4,037,463	3,605,000	432,463
1979-80	4,762,487	1,041,625	1,015,000	26,625	3,720,862	3,395,000	325,862
1980-81	3,794,013	385,700	380,000	5,700	3,408,313	3,170,000	238,313
1981-82	2,585,200				2,585,200	2,420,000	165,200
1982-83	2,165,837				2,165,837	2,070,000	95,837
1983-84	807,050				807,050	770,000	37,050
1984-85	788,900				788,900	770,000	18,900
1985-86	416,150				416,150	410,000	6,150

\$234,796,082 \$ 97,513,363 \$ 86,010,000 \$11,503,363 \$137,282,719 \$113,690,000 \$23,592,719

Unsold Bonds at June 30, 1966 in the amount of \$169,378,000 are not included.



CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

FUNDING STATEMENT

Fiscal Years 1957-58 to 1966-67

SOURCE OF REVENUES:	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
General City Issues:										
Taxes.....	\$ 898,700	\$ 866,000	\$ 777,300	\$ 700,600	\$ 477,400	\$ 554,316	\$ 426,300	\$ 345,000	\$ 330,210	\$ 315,000
Capital Improvement Fund	9,633,261	12,703,938	14,839,836	15,306,874	16,008,499	17,500,000	17,127,203	16,901,250	17,964,000	14,837,225
Surplus .....	.....	.....	296,000	400,000	350,000	320,000	524,026	100,000	.....	.....
	\$10,531,961	\$13,569,938	\$15,913,136	\$16,407,474	\$16,835,899	\$18,374,316	\$18,077,529	\$17,346,250	\$18,294,210	\$15,152,225
Public Service Enterprises:										
Utility Earnings:										
Water and Hetch Hetchy Project..	7,695,786	8,433,530	8,640,045	8,728,372	9,894,723	11,223,279	11,954,959	10,732,198	10,299,595	10,839,042
Municipal Railway.....	.....	.....	774,554	.....	.....	.....	.....	.....	.....	.....
Airport	1,946,788	2,311,853	2,316,684	1,719,208	2,856,470	3,070,956	3,486,266	3,404,552	3,246,519	2,696,175
Capital Improvement Fund (via Utility) 1,826,756	1,932,160	1,932,160	894,204	1,638,978	1,252,559	.....	722,797	143,065	.....	.....
Taxes (via Utility) .....	.....	.....	.....	.....	357,498	1,579,950	393,998	.....	.....	.....
	\$11,469,330	\$12,677,843	\$12,625,487	\$12,086,558	\$14,361,250	\$15,874,185	\$16,558,020	\$14,279,815	\$13,546,114	\$13,535,217
Total Budgeted Requirements	\$22,001,291	\$26,247,781	\$28,538,623	\$28,494,032	\$31,197,149	\$34,248,501	\$34,635,549	\$31,626,065	\$31,840,324	\$28,687,442

Office of the Controller

REPORT ON EXAMINATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 1966

MAIN LAFRENTZ & CO.

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES OR ASSOCIATED FIRMS
U. S. A., CANADA, MEXICO, SOUTH AMERICA
GREAT BRITAIN, EUROPE, MIDDLE EAST
AUSTRALIA, AFRICA

255 CALIFORNIA STREET
SAN FRANCISCO 94111
415-981-2156

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

We have examined the following financial statements of the City and County of San Francisco for the year ended June 30, 1966:

Exhibit A - Combined General City and County Funds Balance Sheet
(Exclusive of Public Service Enterprises), June 30, 1966

Exhibit B - Comparative Statement of Current Funds Revenues and Expenditures (Exclusive of Public Service Enterprises) For the Years Ended June 30, 1966 and 1965

Exhibit C - Statement of Unappropriated Balance of Current Funds
(Exclusive of Public Service Enterprises) For the Year Ended June 30, 1966.

Our examination, which was limited to the records maintained in the Office of the Controller, was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The financial statements of the San Francisco Unified School District and the Employees' Retirement System were examined by other certified public accountants and the financial statements of the Treasurer's office were examined by the Controller's General Audit Division. Reports on the School District and Treasurer's Office have been furnished to us.

The report of the Employees' Retirement System has not yet been released and therefore our opinion, as it relates to these statements, is subject to any adjustments which may arise upon completion of the examination.

In our opinion, based on our examination as described above and upon the reports of others referred to above, the accompanying financial statements, Exhibits A, B and C present fairly the financial position of the City and County of San Francisco (exclusive of Public Service Enterprises) at June 30, 1966 and revenues and expenditures of current funds for the year then ended, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

The following exhibits are presented as supplementary information:

- Exhibit D - Individual Fund Balance Sheets - Current Funds
(Exclusive of Public Service Enterprises), June 30, 1966
- Exhibit E - Individual Fund Balance Sheets - Capital Funds
(Exclusive of Public Service Enterprises), June 30, 1966
- Exhibit F - Individual Fund Balance Sheets - Trust and Assessment Funds
(Exclusive of Public Service Enterprises), June 30, 1966
- Exhibit G - Summary of Properties (Exclusive of Public Service Enterprises), June 30, 1966
- Exhibit H - Bonded Indebtedness (Exclusive of Public Service Enterprises), June 30, 1966
- Exhibit K - Public Service Enterprises Individual Balance Sheets,
June 30, 1966

Although not necessary for a fair presentation of financial position this additional information has been subjected to the audit procedures applied in the examination of the basic financial statements and is in our opinion fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The following financial statements of the Public Service Enterprises (except for the Public Utilities Commission which was unaudited) were examined by other certified public accountants.

- Exhibit I - Public Service Enterprises, Proprietary Balance Sheet,
June 30, 1966
- Exhibit J - Public Service Enterprises, Statement of Income and Surplus
For the Year Ended June 30, 1966.

Main Security Co.

San Francisco, California
November 7, 1966

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED GENERAL CITY AND COUNTY FUNDS BALANCE SHEET
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1986

ASSETS

LIABILITIES

	Total	Current	Capital	Trust and Assessment	Total	Current	Capital	Assessment
Plant, property and equipment (Exhibit C)	\$607,563,733		\$607,563,733				\$11,970,000	
Cash:								
On deposit with treasurer	115,693,827	\$ 84,998,720	12,433,427	\$ 18,263,680			74,040,000	
Revolving funds	81,905	81,905					86,010,000	
Total cash	115,775,732	85,080,625	12,433,427	18,263,680				
Accounts receivable:								
Current year	2,949,719	2,949,719						
Taxes receivable—prior years	3,528,254	3,528,254						
Penalties, costs and interest	497,931	497,931						
Franchise taxes	275,627	275,627						
Federal and state subventions	5,001,837	5,001,837						
Other accounts receivable	24,023,294	20,234,282						
Total receivables	36,276,622	32,487,650						
Lease Reserves:								
Unsecured delinquent taxes and penalties	3,070,612	3,070,612						
Other accounts receivable	3,327,593	3,327,593						
Total accounts receivable, net	8,398,205	8,398,205						
Unsold bonds	27,984,417	24,193,445						
Interfund accounts receivable:			92,819,000					
Due from General City and County (Contract)	64,534,024	56,856,483	1,615,000	6,062,541				
Due from Public Service Enterprises	1,443,862	669,921		771,941				
Total interfund accounts receivable	65,977,886	57,526,404	1,615,000	6,834,482				
Investments	353,559,852			353,559,852				
Lease deposits and guarantees	164,625			164,625				
Deferred charges:								
Materials and supplies	1,083,281	1,083,281						
Amounts to be provided for payment of bond principal	86,010,000		86,010,000					
Amounts to be provided for loan repayments	1,381,663	1,381,663		61,630				
Other deferred charges	231,930							
Total deferred charges	88,532,574	2,464,944	86,010,000	61,630				
	\$1,352,479,819	\$169,267,418	\$800,540,160	\$382,672,291				
These financial statements and accompanying notes are subject to the accountants' report.								

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMPARATIVE STATEMENT OF CURRENT FUNDS
REVENUES AND EXPENDITURES
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
FOR THE YEARS ENDED JUNE 30, 1966 AND 1965

	<u>1966</u>	<u>1965</u>
Revenues:		
Property taxes, penalties, interest and costs	\$165,214,489	\$148,694,077
Federal and state subventions	91,526,303	84,700,189
Retail sales and purchase use tax	19,851,178	18,963,993
Departmental service charges, etc.	22,563,537	20,211,055
Fines, forfeitures and penalties other than from property taxes	4,620,853	4,289,281
Bank interest	5,296,410	4,569,887
Licenses	1,070,656	1,052,503
Hotel room tax	1,650,188	1,477,198
Rentals from use of property	543,184	523,086
Franchise taxes	510,265	508,720
Revenue from other sources	440,225	534,591
Gain on sale of capital assets	<u>2,082,935</u>	
Total revenues	<u>315,370,223</u>	<u>285,524,580</u>
Expenditures:		
Departmental operating expenses:		
General government	21,353,059	19,357,669
Public safety	38,432,866	37,607,963
Highways	5,686,634	4,984,128
Sanitation	6,128,122	5,582,102
Health conservation	5,015,041	4,747,523
Hospitals	15,625,217	14,010,384
Public welfare	74,267,579	61,690,163
Corrections	4,478,943	4,170,153
Schools	66,822,448	64,051,550
Libraries	2,331,332	2,164,271
Recreation	11,061,155	10,412,020
Civil defense	131,876	175,951
Miscellaneous	<u>349,932</u>	<u>248,734</u>
Total departmental operating expenses	<u>251,684,204</u>	<u>229,202,611</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMPARATIVE STATEMENT OF CURRENT FUNDS
REVENUES AND EXPENDITURES

(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)

FOR THE YEARS ENDED JUNE 30, 1966 AND 1965

	<u>1966</u>	<u>1965</u>
Expenditures (Continued):		
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenue	\$ 10,212,354	\$ 11,749,390
Less: Transfers from capital funds	<u>223,068</u>	<u>482,103</u>
Net capital additions from revenues	9,989,286	11,267,287
Bond redemption	15,156,000	14,652,000
Bond fund		117,500
Bond interest	2,526,055	2,617,496
Transfers to trust account as contribution		
for reconstruction of Palace of Fine Arts		850,000
Pension costs, Employees' Retirement System	13,717,098	14,566,478
Contributions to Municipal Railway	9,252,971	7,359,122
Contribution to Federal Social Security	2,980,168	1,774,796
Contribution to Health Service System	<u>1,722,755</u>	<u>1,679,917</u>
Total other expenditures	<u>55,344,333</u>	<u>54,884,596</u>
Total expenditures	<u>307,028,537</u>	<u>284,087,207</u>
Excess of revenues over expenditures	<u>\$ 8,341,686</u>	<u>\$ 1,437,373</u>

These financial statements and accompanying
 notes are subject to the accountants' report.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF UNAPPROPRIATED BALANCE OF CURRENT FUNDS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
FOR THE YEAR ENDED JUNE 30, 1966

Unappropriated balance of funds,

June 30, 1965:

Available	\$16,577,689	
Cash reserve	<u>14,172,545</u>	\$30,750,234

Add:

Excess of revenues over expenditures (Exhibit B)	8,341,686	
Reserves transferred to unappropriated balance of funds	159,382	
Increase in interfund budgetary balances	509,415	
Transfers to cash reserve fund	<u>204,252</u>	<u>9,214,735</u>
		39,964,969

Deduct:

Increase in unencumbered balance of appropriations	3,500,958	
Miscellaneous	<u>38,710</u>	<u>3,539,668</u>

Unappropriated balance of funds,

June 30, 1966:

Available	21,342,753	
Cash reserve	<u>15,082,548</u>	
		<u>\$36,425,301</u>

These financial statements and accompanying
notes are subject to the accountants' report.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)

JUNE 30, 1966

1. Plant, Property and Equipment:

No detailed records are maintained supporting equipment accounts which aggregated \$607,563,733 at June 30, 1966. No provision for depreciation of equipment has been provided nor are equipment accounts always relieved of the cost of equipment retired. Plant, property and equipment represents, generally, the accumulated cost of the investment in such assets.

Interdepartmental work orders in progress aggregating \$7,788,913 at June 30, 1966 include an undetermined number applicable to fixed assets not charged thereto until completion of the respective jobs

2. Retirement System:

It is the practice of the Retirement System to have an actuarial estimate made from time to time of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$51,631,560 at June 30, 1963, the date of the most recent estimate.

At June 30, 1965 the Retirement System estimated the reserve requirements for compensation claims pending under the workmen's compensation laws of the State of California to be \$3,500,000. This amount is subject to adjustment upon completion of revised estimates for the year ended June 30, 1966.

3. Contingent Liabilities:

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)

JUNE 30, 1966

3. Contingent Liabilities (Continued):

and Highway District by reason of its participation in the District. The latest available financial statements of the District reflect net income sufficient to meet its operating expenses and bond interest and redemption requirements.

The City and County of San Francisco is contingently liable for its pro rata share of the bond interest and redemption requirements of the San Francisco Bay Area Rapid Transit District on the basis of the assessed valuation of the taxable property of the City and County lying within the District. The bonded debt of the District shall not exceed 15% of the assessed valuation of taxable property within its bounds.

According to the City Attorney there were damage suits pending against the City and County of San Francisco as of June 30, 1966 aggregating approximately \$86,220,766. As of the same date the School District's contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of \$100,000. No reserve has been provided for the above amounts.

4. Reference Note:

Attention is directed to the financial statements submitted by other certified public accountants and included in the Annual Report of the Controller in respect to other contingent liabilities and other notes which accompany these financial statements.

A S S E T S

Cash	Accounts Receivable	Interfund Accounts Receivable	Deferred Charges	Total
\$12,054,290	\$10,385,387	\$33,120,666	\$ 145,439	\$ 55,705,782
5,407,727	164,208	305,648	27,944	5,905,527
686,493		150		686,643
290,978				290,978
78,037				78,037
201,760		2,249		204,009
165,646		113,500		279,146
44,894		5,107		50,001
9,569,147	298,482	702,434		10,570,063
10,938,906	1,862,583	401,174	826,974	14,009,637
4,585,338	1,677,035			6,262,373
600,996	71,496		82,924	755,416
385,462	15,244	39,622		440,328
5,374				5,374
16,504,179	1,480,346	572,260		18,556,785
2,350,851		992,390		3,343,241
296,191	30,580	2,635,250		2,962,021
160,995	118,337		1,381,663	1,680,995
5,689,607	2,086,839	17,705,675		25,482,121
792,822		704,827		1,497,649
556,792	5,045,803			5,602,595
	271,298			271,298
(167,930)				(167,930)
(171,332)				(171,332)
(103,236)				(103,236)
1,822,153	200,000			2,022,153
6,515,219				6,515,219
	69,670			69,670
2,375,928				2,375,928
687,585		100,283		787,868
37,308	438,137	117,591		593,036
87,761		7,578		95,339
1,124				1,124
93,095				93,095
2,536,330				2,536,330
135				135
<u>\$85,080,625</u>	<u>\$24,195,445</u>	<u>\$27,526,404</u>	<u>\$2,464,944</u>	<u>\$169,267,418</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS -- CURRENT FUNDS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

	JUNE 30, 1966		LIABILITIES AND FUND BALANCES				
		Loan, Accounts Payable and Commitments	Interfund Accounts Payable	Deferred Credits	Reserves	Unencumbered Appropriations	Unappropriated
	Total						
General fund	\$ 55,705,782	\$17,122,591	\$21,043,763	\$ 4,935,485	\$1,319,661	\$ 5,430,318	\$ 5,453,964
Recreation and park	5,905,527	376,257	3,280,098	324,728	40,277	1,735,837	148,330
Library	686,643	359,832	319,702	9	2,027	5,073	
War Memorial	290,978	101,718	155,129			14,131	
California Palace of the Legion of Honor	78,037	24,931	46,864	82	1,000	5,160	
de Young Museum	204,009	34,710	144,800	845	1,000	22,654	
Publicity and advertising	279,146	159,825	119,321				
Special election	50,001					50,001	
Road	10,570,063	240,181	1,671,909	37,889		5,227,501	3,392,583
San Francisco Unified School District	14,009,637	5,793,514	2,435,110	189,282	842,121	132,857	4,616,753
San Francisco Unified School District Reserve Fund	6,262,373	226,287	294,467	3,388,012		970,938	1,382,689
School cafeteria	755,416	99,072	162,271	12	86,924	5,000	402,137
Child care centers	440,328	116,915	42,826			10,400	270,187
Development center for handicapped minors	5,374	834	4,540				
Special gas tax street improvement	18,556,785	86,996	687,424			12,275,224	5,507,141
Employees' retirement - current	3,343,241	156,396	1,658,452	1,448		1,392,393	134,552
Bond interest and redemption	2,962,021	102,348	2,700,272		154,082	5,319	
Marina Yacht Harbor	1,660,995	1,381,663	64,226			118,337	96,769
Cash reserve	25,482,121		10,399,374				15,082,747
Emergency reserve	1,497,649					1,497,649	
Capital improvement	5,602,595	1,948	5,397,963			3,134	199,550
Alcoholic beverage license subsidy	271,298		271,298				
Auditorium	(167,930)						(167,930)
Firemen's relief and pension	(171,332)						(171,332)
Police relief and pension	(103,236)						(103,236)
Medical care trust	2,022,153	8,783	1,587,179	426,191			
Welfare assistance and administration	6,315,219		3,618,925	2,896,294			
San Francisco Bay Area Rapid Transit District	69,670		69,670				
Off-street parking	2,375,928		81,468			2,124,764	169,696
Heat, light and power	787,868	742,255	39,177	854			5,582
Hotel room tax	593,036		593,036				
Health service - current	95,339	7,671	87,230			438	
Unappropriated funds:							
Tax collector's taxes	1,124				1,124		
Delinquent tax installments	93,095				93,095		
Assessor's personal property taxes	2,536,330				2,536,330		
Redemption of property	135				135		
	<u>\$169,267,418</u>	<u>\$27,164,727</u>	<u>\$27,376,674</u>	<u>\$14,831,815</u>	<u>\$2,447,092</u>	<u>\$31,041,809</u>	<u>\$36,425,301</u>

Subject to the accountants' report.

A S S E T S				
Cash	Unsold Bonds	Interfund Accounts Receivable	Amounts to be Provided for Payment of Bond Principal	Total
\$ 451,499			\$ 300,000	\$ 300,000
1,943				451,499
187,332			1,840,000	1,943
602,124		\$ 400,000	3,263,000	2,027,332
86,398			1,955,000	4,267,124
23,637			560,000	2,061,398
41,314			5,585,000	583,637
55,234			1,865,000	5,626,314
			2,320,000	1,920,234
635,793	355,000	15,000	6,620,000	2,320,000
3,159			2,415,000	7,625,793
208,966			2,875,000	2,418,159
8,383			1,295,000	3,083,966
403,466	405,000		3,915,000	1,303,383
25,527	760,000		9,830,000	4,723,466
316,980			16,685,000	10,615,527
12,568			17,001,980	17,001,980
27,708			985,000	997,568
236,510			5,615,000	5,662,708
361,262			1,680,000	1,916,510
3,696,969	2,250,000	1,200,000	2,185,000	2,546,262
29,420			8,600,000	15,744,969
1,086,135	14,323,000		820,000	869,420
430,545	6,600,000		1,300,000	16,709,135
1,930,053	29,465,000		400,000	7,430,545
873,243	3,790,000		2,000,000	33,395,053
57,669	1,300,000		1,100,000	5,763,243
	33,670,000			1,357,669
				33,670,000
543,167				543,167
98,423				98,423
<u>\$12,433,427</u>	<u>\$92,918,000</u>	<u>\$1,615,000</u>	<u>\$86,010,000</u>	<u>\$192,976,427</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS -- CAPITAL FUNDS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

	LIABILITIES AND FUND BALANCES					
	Total	Bonded Debt	Accounts Payable and Commitments	Interfund Accounts Payable	Fund Balances	
					Unencumbered Appropriations	Unappropriated
Bond Funds:						
1923 School	\$ 300,000	\$ 300,000				
1944 Sewer	451,499		\$ 3,352		\$ 381,110	\$ 67,037
1944 Juvenile Home and Court and 1948 Juvenile Court and Detention Home	1,943					1,943
1947 Off-Street Parking	2,027,332	1,840,000				187,332
1947 Street Improvement	4,267,124	3,265,000	151	\$ 229,970	382,324	389,679
1947 Recreation	2,041,398	1,955,000		77,000	9,398	
1948 Sewage Treatment	583,637	560,000	135		23,336	166
1948 School	5,626,314	5,585,000				41,314
1952 Firehouse	1,920,234	1,865,000			55,040	194
1954 Recreation Center	2,320,000	2,320,000				
1954 Sewer	7,625,793	6,620,000			882,315	34,381
1954 Laguna Honda Home and Hospital	2,418,159	2,415,000	31,501	57,596	1,180	
1954 San Francisco Hospital	3,083,966	2,875,000		205,284	3,682	
1954 Exhibit Hall	1,303,383	1,295,000				8,383
1955 Playgrounds and Recreation Centers	4,723,466	3,915,000	12,117	311,900	484,449	
1956 Hall of Justice	10,615,527	9,830,000		15,000	155,067	615,460
1956 School	17,001,980	16,685,000	191,190	74,401	48,354	3,035
1958 Recreation and Park (Steinhart Aquarium)	997,568	985,000			12,568	
1959 Civic Center Auditorium	5,642,708	5,615,000	10,877	11,531	5,300	
1959 Palace of Fine Arts	1,816,510	1,680,000			236,510	
1960 de Young Museum	2,546,262	2,185,000	232,683	39,699	88,880	
1960 Sewer	15,744,969	8,600,000	262,190	2,127,045	4,755,034	700
1961 Fort Funston	849,420	820,000			29,420	
1964 Sewerage and Sewage Disposal	16,709,135	1,300,000	46,895	1,062,425	14,299,815	
1964 Street Lighting	7,430,545	400,000	68,875	697,300	6,264,370	
1964 School	33,395,053	2,000,000	3,207,996	1,159,970	27,027,087	
1964 Fire Department	5,763,263	1,100,000	994,007	51,300	3,617,936	
1964 Log Cabin Ranch	1,357,669		33,678	189,050	1,134,941	
1965 Medical Center	33,670,000					33,670,000
Real Property Funds:						
General City	543,167		1,640	9,564	159,607	372,356
San Francisco Unified School District	98,423		50	8,500	50,655	39,218
	<u>\$192,976,427</u>	<u>\$86,010,000</u>	<u>\$5,097,337</u>	<u>\$6,329,514</u>	<u>\$60,108,378</u>	<u>\$35,431,198</u>

Subject to the accountants' report.

A S S E T S

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Investments</u>	<u>Interfund Accounts Receivable</u>	<u>Deferred Charges and Deposits</u>	<u>Total</u>
\$ 5,554,063	\$3,716,637	\$353,214,238	\$2,739,865		\$365,224,803
462		94		556	
11,514				11,514	
868				868	
190				190	
4,845		49,340	10	54,195	
226,396	1,510	115,250		343,156	
312,398				312,398	
79,553				79,553	
6,623	116	8,379		15,118	
749		2,000		2,749	
4,986				4,986	
7,475	45	2,073		9,593	
8,249				8,249	
11,302		65,492		76,794	
324	15	993		1,332	
7,553				7,553	
3,276	194	40,000		43,470	
7,540		25,402		32,942	
135				135	
123				123	
516				516	
75,896				75,896	
484	70	4,997		5,551	
256,547				256,547	
305				305	
1,802	225	15,009		17,036	
5				5	
5,657				5,657	
1,125				1,125	
25,015				25,015	
15,734	50,104			65,838	
42,753				42,753	
83				83	
1,845,178			280,937	2,126,115	
35				35	
13,837				13,837	
3,936				3,936	
5,851				5,851	

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

LIABILITIES AND FUND BALANCES					
	Total	Accounts Payable and Commitments	Interfund Accounts Payable	Deferred Credits	Reserves
Retirement and Other Public Trust Funds:					
Employees' Retirement System	\$365,224,803	\$2,312,452	\$ 31,827		\$362,880,524
Bequest:					
Brunetti	556				556
Condon	11,514				11,514
Fallon	868				868
Fast	190				190
Fuhrman Bequest - Joint	54,195	85	100		54,010
Fuhrman Bequest - Library	343,156	3,833	10		339,313
Fuhrman Bequest - Park	312,398		51,600		260,798
Heller	79,553	655			78,898
Herzstein	15,118				15,118
Lewis	2,749				2,749
Magnani Bequest	4,986	394			4,592
Marr	9,593				9,593
McLean	8,249		3,000		5,249
Nell V. O'Connell Fund	76,794	2,224			74,570
Olsen	1,332				1,332
Raymond Bequest	7,553				7,553
Robinson	43,470	16			43,454
Salinger	32,942				32,942
Sneide	135				135
Steinberg	123				123
Stoy	516				516
Strybing	75,896		75,000		896
Sutro	5,551				5,551
Waden	256,547				256,547
Wilbert	305				305
Windell	17,036	12			17,024
Arabic Book Fund	5				5
Board of Trustees - Legion of Honor	5,657		85		5,572
Booth Memorial Scholarship	1,125				1,125
Candlestick Park Trust	25,015				25,015
Community Renewal Program	65,838	61,300	1,500		3,038
de Young Museum Art Trust	42,753				42,753
Glenn Baseball Program	83				83
Health Services	2,126,115	406,492		192,324	1,527,299
Infantile Paralysis	35				35
Walter S. Johnson Gift Fund	13,837				13,837
Laguna Honda Home - Gift Fund	3,936	230			3,706
Laguna Honda Workshop	5,851				5,851

A S S E T S

Cash	Accounts Receivable	Investments	Interfund Accounts Receivable	Deferred Charges and Deposits	Total
\$ 452					\$ 452
202					202
123					123
6,383					6,383
26,125					26,125
57					57
2,376	\$ 110	\$ 15,585			15,585
2,083,732					2,083,732
386					386
291					291
1,145					1,145
110					110
172					172
1,742					1,742
7,734	19,606				27,340
3,848					3,848
2,159					2,159
100					100
<u>10,680,520</u>	<u>3,788,632</u>	<u>353,558,852</u>	<u>3,020,812</u>		<u>371,048,816</u>
556					556
22,384					22,384
147,327			6,420		153,747
40,540					40,540
1,132			85		1,217
14,804					14,804
2,650					2,650
685,299					685,299
60					60
97,340					97,340
1,523					1,523
5,796			2,231		8,027
35,792			70,683		106,475
282			63		345
39,713					39,713
17,703					17,703

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

LIABILITIES AND FUND BALANCES					
	Total	Accounts Payable and Commitments	Interfund Accounts Payable	Deferred Credits	Reserves Fund Balances
Retirement and Other Public Trust Funds (Continued):					
Library Gift Fund	\$ 452				\$ 452
Litter Control	202				202
Log Cabin Ranch Welfare	123				123
George Wilson Meyer Collections	6,383				6,383
Miranda Lux Foundation	26,125	\$ 2,350			23,775
Musicians Club of San Francisco	57				57
P.P.I.E. Trust	15,585				15,585
P.P.I.E. Scholarship Interest	2,486				2,486
Palace of Fine Arts	2,083,732	1,972,858	\$ 56,500		54,374
Police Range	386				386
Recreation and Park Gift Fund	291				291
San Francisco Hospital - Children's Ward	1,145				1,145
Social Service	110				110
Special Anecdotal Book Fund	172				172
Levi Strauss Foundation	1,742				1,742
State Highway	27,340		20,483		6,857
Storyland Fund	3,848	1,205			2,643
Tuberculosis Trust	2,159				2,159
Veterans' Education School	100				100
Total Retirement and Other Public Trust Funds	371,048,816	4,764,106	240,105	192,326	365,852,281
Private Trust Funds:					
Absent Creditors	556				556
Absent Heirs	22,384				22,384
Adult Probation Officers' Deposit Account	153,747	36,684			117,063
Adult Probation Officers' Clearing Account	40,540	30,773	6,421		3,346
California Palace of the Legion of Honor	1,217				1,217
Contractor's Unclaimed Money	14,804				14,804
County Clerk Bail	2,650				2,650
County Clerk Special	685,299	106,703			578,596
De Young Museum	60	8			52
Duplicate Taxes	97,340	8,806			88,534
Electrical Deposits	1,523				1,523
F.I.C.A. Taxes:					
Bay Area Air Pollution Control District	8,027				8,027
Municipal Railway	106,475	35,345	35,243		35,887
Parking Authority	345				345
Rail Vehicle Deposits	39,713	1,983			37,730
Juvenile Court Deposits	17,703	1,332			16,371

A S S E T S

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Investments</u>	<u>Interfund Accounts Receivable</u>	<u>Deferred Charges and Deposits</u>	<u>Total</u>
\$ 2,295					\$ 2,295
46,200					46,200
473,536					473,536
883,289			\$ 262,218		1,145,507
298					298
73,600					73,600
505,066					505,066
297,442					297,442
6,069					6,069
120					120
465					465
291					291
10,148	\$ 331				10,479
18,778	9				18,787
377,314			828,615		1,205,929
46,600			66,467		113,067
619,951			1,414,578		2,034,529
119,303			237,939		357,242
41,664			802,272		843,936
<u>4,635,330</u>	<u>340</u>		<u>3,691,571</u>		<u>8,327,241</u>
1,302					1,302
4,233					4,233
938					938
3,623					3,623
142					142
64					64
462					462
<u>1,580</u>					<u>1,580</u>
<u>12,344</u>					<u>12,344</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

	LIABILITIES AND FUND BALANCES				
	Total	Accounts Payable and Commitments	Interfund Accounts Payable	Deferred Credits	Fund Balances
Private Trust Funds (Continued):					
Library Card Deposits	\$ 2,295				\$ 2,295
Municipal Court Bail	46,200				46,200
Municipal Court Special	473,536	\$ 11,297			462,239
Old Age Security and Disability Insurance	1,145,507	517			1,144,990
Police Department Deposits	298				298
Realty Deposits	73,600	5,500			68,100
Refundable Deposits, Department of Public Works	505,066	18,552			486,514
Sheriff's Trust	297,442	36,134			261,308
Sheriff's Inmate Welfare Fund	6,069	1,427			4,642
Special Badge	120				120
Street Improvement	465				465
Street Improvement - Ordinance 1934	291				291
Sunset Tunnel Assessment Refund	10,479				10,479
Twin Peaks Tunnel Refund	18,787				18,787
Voluntary Payroll Deductions	1,203,929	342,621			863,308
War Bonds	113,067	24,511			88,556
Withholding tax:					
General	2,034,529	612,617	\$ 612,595		809,317
Municipal Railway	357,242	118,220	118,221		120,801
San Francisco Unified School District	843,936	40,389	40,389		763,158
Total Private Trust Funds	8,327,241	1,433,419	812,869		6,080,953
Assessment and Redemption Funds:					
Circular Avenue Assessment	1,302				1,302
Circular Avenue Redemptions	4,233				4,233
City Lands Assessment	938				938
City Lands Redemption	3,623				3,623
Oakwood Street Assessments	142				142
Saturn Street Redemptions	64				64
Virginia Avenue Assessments	462				462
Virginia Avenue Redemptions	1,580				1,580
Total Assessment and Redemption Funds	12,344				12,344

A S S E T S

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Investments</u>	<u>Interfund Accounts Receivable</u>	<u>Deferred Charges and Deposits</u>	<u>Total</u>
\$ 375,704					\$ 375,704
55,290			\$ 69,670		124,960
329,407					329,407
19,323				\$ 35,000	54,323
629,711					629,711
82,247					82,247
67,163			11,022		78,185
9,186					9,186
108,288					108,288
13,866					13,866
1,198					1,198
883					883
101,912				26,630	128,542
26,294					26,294
1,007,388					1,007,388
302					302
13,772					13,772
6,543					6,543
44,600			22,217		66,817
42,409			19,190		61,599
<u>2,935,486</u>			<u>122,099</u>	<u>61,630</u>	<u>3,119,215</u>
				<u>164,625</u>	<u>164,625</u>
<u>\$18,263,680</u>	<u>\$3,788,972</u>	<u>\$353,558,852</u>	<u>\$6,834,482</u>	<u>\$226,255</u>	<u>\$382,672,241</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

LIABILITIES AND FUND BALANCES						
	<u>Total</u>	<u>Accounts Payable and Commitments</u>	<u>Interfund Accounts Payable</u>	<u>Deferred Credits</u>	<u>Reserves</u>	<u>Fund Balances</u>
Agency Funds:						
Bay Area Air Pollution Control District Funds	\$ 375,704	\$ 335,135	\$ 11,336			\$ 29,233
Bay Area Rapid Transit District	124,960		2,290	\$ 69,670		53,000
Economic Opportunity Council	329,407	111,444				217,963
Hunters Point Reclamation District	54,323		35,000			19,323
Redevelopment Agency:						
Lower Market and Embarcadero Trustee	629,711					629,711
Project Expenditure Funds	82,247	2,666	5,000			74,581
Revolving Fund	78,185	46,246	11,022			20,917
Temporary Loan Funds	9,186					9,186
Survey and Planning Funds	108,288	71,828	3,900			32,560
General Neighborhood Renewal Plan	13,866					13,866
State of California:						
Consumers' Use Tax	1,198					1,198
County Clerk	883	196				687
County Fair	128,542	15,807	34,354			78,381
Fines and Forfeitures	26,294					26,294
Inheritance Taxes	1,007,388					1,007,388
Inheritance Tax Refunds	302					302
Law Library	13,772	13,437				335
Sales Tax	6,543					6,543
State Teachers' Retirement Plan	66,817	22,317				44,500
Teachers' Annuity Deposit	61,599	19,694				41,905
Total Agency Funds	<u>3,119,215</u>	<u>638,770</u>	<u>102,902</u>	<u>69,670</u>		<u>2,307,873</u>
Lease Deposits and Guarantees	<u>164,625</u>				<u>\$164,625</u>	
Total Individual Fund Balance Sheets - Trust and Assessment Funds	<u>\$382,672,241</u>	<u>\$6,836,295</u>	<u>\$1,155,876</u>	<u>\$261,994</u>	<u>\$164,625</u>	<u>\$374,253,451</u>

Subject to the accountants' report.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF PROPERTIES
 (EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)

JUNE 30, 1966

	<u>Total</u>	<u>Land</u>	<u>Structures and Improvements</u>	<u>Equipment</u>
Current year's additions, net:				
General Government:				
Civic Center, including				
City Hall	\$ 497,599		\$ 334,582	\$ 163,017
Public Safety:				
Fire Department	674,191	\$ 54,900	349,742	269,549
Police Department	320,516	17,250	4,822	298,444
Department of Electricity	49,503		36,644	12,859
Highways:				
Streets, tunnels, bridges, etc.	4,071,308	1,206,196	2,760,886	104,226
Off-street parking	190,181	67,750	122,431	
Sanitation:				
Sewers and sewer disposal plants	2,116,673	72,795	2,008,476	35,402
Street Cleaning Department	59,661			59,661
Health Conservation:				
Hassler Health Home	14,175		86	14,089
Civic Center Health Building	62,567		25,604	36,963
Other	640,463	123,523	516,940	
Hospitals:				
San Francisco Hospital	455,385		270,175	185,210
Emergency hospitals	40,188		2,203	37,985
Public Welfare:				
Laguna Honda Home	88,673		31,297	57,376
San Francisco Welfare Department	566,546	52,555	403,273	110,718
Corrections:				
County Jails	4,785			4,785
Youth Guidance Center	25,351		8,657	16,694
Juvenile Log Cabin Ranch	102,837		101,486	1,351
Schools	3,228,698	19,296	2,449,528	759,874
Libraries	614,086	30,031	65,550	518,505
Recreation:				
Parks and playgrounds	1,575,877	2,140	1,475,210	98,527
Museums, art galleries, etc.	4,471,440		4,436,750	34,690
War Memorial and Opera House	21,121		17,948	3,173
Auditorium and Exhibit Hall	538,599		449,776	88,823
Kezar Stadium	13,750		13,750	
Other	58,283		11,058	47,225
	<u>20,502,456</u>	<u>1,646,436</u>	<u>15,896,874</u>	<u>2,959,146</u>
Prior years' additions	<u>587,061,277</u>	<u>86,484,007</u>	<u>450,357,783</u>	<u>50,219,487</u>
	<u>\$607,563,733</u>	<u>\$88,130,443</u>	<u>\$466,254,657</u>	<u>\$53,178,633</u>

Subject to the accountants' report.

CITY AND COUNTY OF SAN FRANCISCO
 AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BONDED INDEBTEDNESS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

	<u>Date of Issue</u>	<u>Interest Rate Percent</u>	<u>Amount</u>
General City and County:			
Schools:			
1923 School	3/1/23	5	\$ 300,000
1948 School:			
Series D	12/1/52	1 3/4	2,245,000
Series E	8/1/53	2 1/2	960,000
Series F	3/1/54	1 1/2 and 1 3/4	600,000
Series G	4/1/55	1 3/4	1,375,000
Series H	4/1/57	2 1/2	405,000
1956 School:			
Series A	11/1/57	3	2,800,000
Series B	12/1/58	2 3/4 and 3	1,975,000
Series C	6/1/59	3 1/4	480,000
Series D	2/1/60	3 1/4 and 3 1/2	2,810,000
Series E	10/1/60	2 1/2 to 3	3,325,000
Series F	7/1/61	2 1/2 to 3 1/4	1,820,000
Series G	3/1/62	2 1/4 to 3	1,540,000
Series H	9/1/64	2 1/2 to 5	1,935,000
1964 School:			
Series A	9/1/65	3 to 4 1/4	<u>2,000,000</u>
			<u>24,570,000</u>
Boulevards and Roads:			
1947 Street Improvements:			
Series F	12/1/52	1 3/4	225,000
Series H	1/1/56	2 and 2 1/4	495,000
Series I	4/1/57	2 1/2	1,110,000
Series J	5/1/58	2 1/4 and 2 1/2	700,000
Series K	12/1/58	2 3/4 and 3	735,000
1964 Street Lighting:			
Series A	9/1/65	2 3/4 to 4 1/4	<u>400,000</u>
			<u>3,665,000</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
 BONDED INDEBTEDNESS
 (EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

	Date of Issue	Interest Rate Percent	Amount
General City and County (Continued):			
Sewers:			
1948 Sewage Treatment:			
Series E	1/1/56	2 and 2 1/4	\$ 350,000
Series F	5/1/58	2 1/2	210,000
1954 Sewer:			
Series A	1/1/56	2 and 2 1/4	1,190,000
Series B	11/1/57	3	2,100,000
Series C	12/1/58	2 3/4 and 3	1,400,000
Series D	2/1/60	3 1/4 and 3 1/2	585,000
Series E	4/1/63	2 to 2 3/4	1,345,000
1960 Sewer:			
Series A	3/1/62	2 1/4 to 3	3,580,000
Series B	9/1/64	2 1/2 to 5	4,670,000
Series C	9/1/65	2 3/4 to 4	350,000
1964 Sewer:			
Series A	9/1/65	2 3/4 to 4	<u>1,300,000</u>
			<u>17,080,000</u>
Parks and Playgrounds:			
1947 Recreation:			
Series D	8/1/53	2 1/2	495,000
Series E	4/1/55	1 3/4	360,000
Series F	1/1/56	2 and 2 1/4	620,000
Series G	4/1/57	2 1/2	480,000
1954 Recreation Center:			
Series A	5/1/58	2 1/2	2,320,000
1955 Playgrounds and Recreation Centers:			
Series A	11/1/57	3	945,000
Series B	5/1/58	2 1/2	455,000
Series C	12/1/58	2 3/4 and 3	320,000
Series D	2/1/60	3 1/4 and 3 1/2	180,000
Series E	10/1/60	2 1/2 to 3	650,000
Series F	3/1/62	2 1/4 to 3	720,000
Series G	9/1/64	2 1/2 to 5	645,000
1958 Recreation and Park:			
Series A	2/1/60	3 1/4 and 3 1/2	790,000
Series B	7/1/61	2 1/2 and 3 1/4	195,000
1961 Fort Funston:			
Series A	3/1/62	2 1/4 to 3	<u>820,000</u>
			<u>9,995,000</u>

CITY AND COUNTY OF SAN FRANCISCO
 AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BONDED INDEBTEDNESS
 (EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

	Date of Issue	Interest Rate Percent	Amount
General City and County (Continued):			
Off-Street Parking:			
Series B	1/1/56	2 and 2 1/4	\$ 920,000
Series C	5/1/58	2 1/4 and 2 1/2	<u>920,000</u>
			<u>1,840,000</u>
Hospitals:			
1954 San Francisco Hospital:			
Series A	1/1/56	2 and 2 1/4	620,000
Series B	11/1/57	3	700,000
Series C	12/1/58	2 3/4 and 3	360,000
Series D	6/1/59	3 1/4	895,000
Series E	10/1/60	2 1/2 to 3	300,000
1954 Laguna Honda Home and Hospital:			
Series A	1/1/56	2 and 2 1/4	1,190,000
Series B	4/1/57	2 1/2	1,015,000
Series C	5/1/58	2 1/2	<u>210,000</u>
			<u>5,290,000</u>
Fire Protection:			
1952 Firehouse:			
Series A	4/1/55	1 3/4	620,000
Series B	1/1/56	2 and 2 1/4	350,000
Series C	4/1/57	2 1/2	545,000
Series D	2/1/60	3 1/4 and 3 1/2	180,000
Series E	7/1/61	2 1/2 to 3 1/4	170,000
1964 Fire Department:			
Series A	9/1/65	2 3/4 to 4 1/4	<u>1,100,000</u>
			<u>2,965,000</u>
Exhibit Hall:			
1954 Exhibit Hall:			
Series A	4/1/57	2 1/2	<u>1,295,000</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BONDED INDEBTEDNESS
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES)
JUNE 30, 1966

	Date of Issue	Interest Rate Percent	Amount
General City and County (Continued):			
Hall of Justice:			
1956 Hall of Justice:			
Series A	4/1/57	2 1/2	\$ 575,000
Series B	5/1/58	2 1/4 and 2 1/2	700,000
Series C	12/1/58	2 3/4 and 3	8,240,000
Series D	9/1/65	2 3/4 to 4	<u>315,000</u>
			<u>9,830,000</u>
Civic Center Auditorium:			
1959 Civic Center Auditorium:			
Series A	7/1/61	2 1/2 to 3 1/4	550,000
Series B	3 1/62	2 1/2 to 3	4,840,000
Series C	9/1/65	2 3/4 to 4	<u>225,000</u>
			<u>5,615,000</u>
de Young Museum:			
1960 de Young Museum:			
Series A	4/1/63	2 to 2 3/4	<u>2,185,000</u>
Palace of Fine Arts:			
1959 Palace of Fine Arts:			
Series A	9/1/64	2 1/2 to 5	<u>1,680,000</u>
Total General City and County			<u><u>\$86,010,000</u></u>

Subject to the accountants' report.

EXHIBIT I

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
PROPRIETARY BALANCE SHEET
JUNE 30, 1966

	A S S E T S	Public Utilities Commission	Municipal Railway of San Francisco	San Francisco Water Department	Hetch Hetchy Project	San Francisco International Airport
Fixed capital:	Total					
Properties	\$451,747,388	\$22,247	\$31,687,626	\$142,824,974	\$181,471,528	\$99,740,713
Less: Accumulated depreciation	148,190,065	—	23,612,642	46,568,945	57,633,617	20,376,861
Depreciated value	303,557,323	22,247	8,074,984	96,256,029	123,837,911	79,363,852
Construction work in progress	39,252,917	—	42,002	11,329,721	24,645,220	3,235,974
Total fixed capital	342,810,240	22,247	8,116,986	107,585,750	148,483,131	78,601,826
Cash:						
On deposit with treasurer	44,253,935	28,120	5,219,384	13,074,229	17,889,276	8,042,926
Revolving and change funds	307,500	1,000	270,000	30,000	4,000	2,500
Total cash	44,561,435	29,120	5,489,384	13,104,229	17,893,276	8,045,426
Accounts receivable:						
Revenues accrued and other receivables	4,993,462	—	205,466	1,980,616	1,476,161	1,331,219
Less: Allowance for doubtful receivables	239,213	—	161,832	161,832	—	77,381
Accounts receivable, net	4,754,249	—	205,466	1,818,784	1,476,161	1,253,838
Federal and other grants receivable subject to approval	1,680,204	—	54,068	54,068	—	1,626,136
Less: Reserve for unapproved grants	1,680,204	—	—	—	—	—
Federal and other grants receivable, net	—	—	—	—	—	—
Interfund accounts receivable:						
Due from General City and County	346,289	104	115,251	13,203	201,278	16,453
Due from Public Service Enterprises (contra)	1,502,578	1,663	58,873	903,368	537,422	1,252
Total interfund accounts receivable	1,848,867	1,767	174,124	916,571	738,700	17,705
Deferred charges:						
Materials and supplies	1,422,263	—	676,450	686,337	45,598	16,478
Uncompleted contracts, purchase orders and other commitments (contra)	12,306,382	—	314,465	6,025,902	5,109,929	854,286
Prepaid rental of leased equipment	254,723	—	254,723	273,089	94,370	38,421
Other	1,031,989	—	626,109	—	—	—
Total deferred charges	15,015,357	—	1,687,147	6,985,328	5,249,897	909,185
	\$408,991,148	\$53,434	\$15,457,907	\$130,410,662	\$173,841,165	\$88,827,990

Subject to the accountants' report.

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
PROPRIETARY BALANCE SHEET
JUNE 30, 1966

L I A B I L I T I E S

	Total	Public Utilities Commission	Municipal Railway of San Francisco	San Francisco Water Department	Hetch Hetchy Project	San Francisco International Airport
Bonded debt:						
Maturing within one year	\$ 9,050,000			\$ 1,765,353	\$ 5,234,647	\$ 2,050,000
Maturing subsequent to June 30, 1967	104,640,000			26,953,861	24,901,139	22,735,000
Total	113,690,000			28,719,214	60,135,786	24,835,000
Matured bonds not presented for payment	53,200	\$ 200		5,000	45,000	3,000
Total bonded debt	113,743,200	200		28,724,214	60,180,786	24,838,000
Bond interest:						
Matured but not due	1,074,848			112,500	754,606	207,742
Matured coupons not presented for payment	30,393		278	4,387	23,776	1,952
Total bond interest	1,105,241	278		116,887	778,382	209,694
Accounts payable and commitments:						
Accounts payable	4,932,005	\$ 2,514	266,513	2,175,489	2,000,067	487,422
Outstanding warrants and payroll deductions	12,385,378	1,722,717	230,322	6,300,322	1,124,622	870,384
Uncompleted contracts, purchase orders and other commitments (contra)	12,147,000	314,265	314,265	6,400,000	5,109,129	886,266
Deposits and construction advances	327,198			327,198		
Total accounts payable and commitments	19,954,763	17,440	2,303,495	8,760,161	7,222,618	1,451,069
Interfund accounts payable:						
Due to General City and County	575,519	8,305	287,352	133,254	41,783	104,825
Due to Public Service Enterprises (contra)	1,502,578	3,810	23,515	377,572	893,136	204,555
Total interfund accounts payable	2,078,097	12,115	310,867	510,826	934,919	309,370
Deferred credits	372,441	132		3,786	3,498	365,025
Reserves:						
Reserve for accident claims	4,577,535		4,487,535	75,000	15,000	
Other reserves	624,192		565,000	59,592		
Total reserves	5,202,487		5,052,535	134,592	15,000	
Surplus (Exhibit J)	266,534,919	23,747	8,190,532	92,159,836	104,705,962	61,454,842
	\$408,991,148	\$53,434	\$19,857,907	\$130,410,662	\$173,841,165	\$84,827,900

Subject to the accountants' report.

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
STATEMENT OF INCOME AND SURPLUS
FOR THE YEAR ENDED JUNE 30, 1966

Revenues and Expenses	Total	Public Utilities Commission	Municipal Railway of San Francisco	San Francisco Water Department	Hetch Hetchy Project	San Francisco International Airport
Operating revenues	\$ 67,133,411		\$20,350,849	\$18,158,956	\$ 17,114,664	\$11,508,942
Operating expenses	60,311,084		29,391,741	15,675,334	8,629,244	6,614,765
Operating income (loss)	<u>6,822,327</u>		<u>(9,040,892)</u>	<u>2,483,622</u>	<u>8,485,420</u>	<u>4,894,177</u>
Other revenues:						
Interest earned	243,265		113,107	130,158		
Gain (loss) from sale of property, net	40,162		13,126	25,673	3,278	(1,915)
Miscellaneous	<u>1,079,631</u>		<u>8,685</u>	<u>935,678</u>	<u>135,268</u>	
Total	<u>1,363,058</u>		<u>134,918</u>	<u>1,091,509</u>	<u>138,546</u>	<u>(1,915)</u>
Other expenses:						
Interest on bonded debt	1,769,895			607,482	1,162,413	
Miscellaneous	<u>75,818</u>			<u>70,302</u>	<u>524</u>	<u>4,992</u>
Total	<u>1,845,713</u>			<u>677,784</u>	<u>1,162,937</u>	<u>4,992</u>
Net income (loss) for the year	<u>\$ 6,339,672</u>		<u>\$(8,905,974)</u>	<u>\$ 2,897,347</u>	<u>\$ 7,461,029</u>	<u>\$ 4,887,270</u>
Surplus						
Surplus, July 1, 1965	\$250,516,272	\$22,827	\$ 7,677,799	\$89,262,489	\$ 97,244,933	\$56,308,224
Net income (loss) for the year	6,339,672		(8,905,974)	2,897,347	7,461,029	4,887,270
Contributions:						
General City and County	9,253,175		9,253,175			
Federal grants	413,380		165,532			
Other	11,500					
Adjustment of fixed assets	<u>920</u>	<u>920</u>				
Surplus, June 30, 1966	<u>\$266,534,919</u>	<u>\$23,747</u>	<u>\$ 8,190,532</u>	<u>\$92,159,836</u>	<u>\$104,705,962</u>	<u>\$61,454,842</u>

Subject to the accountants' report.

A S S E T S						
Cash	Accounts Receivable	Interfund Accounts Receivable	Unsold Bonds	Amounts To be Provided For Payment of Bond Principal	Materials and Supplies	Total
\$10,632,627	\$1,476,161	\$ 863,860			\$ 45,598	\$ 13,018,246
				\$ 750,000		750,000
				7,200,000		7,200,000
				900,000		900,000
				1,080,000		1,080,000
				430,000		477,587
				37,380,000		43,025,293
47,587						
<u>5,495,293</u>		<u>200,000</u>				
16,175,507	<u>1,476,161</u>	<u>1,063,860</u>		<u>47,740,000</u>	<u>45,598</u>	<u>66,501,126</u>
7,705,189	3,535,169	392,859				12,319,554
<u>5,907,395</u>		<u>2,190,144</u>	<u>\$76,460,000</u>	<u>5,000,000</u>	<u>686,337</u>	<u>5,000,000</u>
13,612,584	<u>3,535,169</u>	<u>2,583,003</u>	<u>76,460,000</u>	<u>41,115,000</u>	<u>686,337</u>	<u>137,992,093</u>
5,469,212	384,482	844,486			676,850	7,375,030
<u>19,694</u>						<u>19,694</u>
<u>5,488,906</u>	<u>384,482</u>	<u>844,486</u>			<u>676,850</u>	<u>7,394,774</u>
5,833,312	1,327,476	271,360			14,478	7,446,626
6,517						6,517
476,746		69,162		15,785,000		16,280,908
1,078,059	1,626,136					2,704,195
<u>695,840</u>				<u>9,050,000</u>		<u>9,745,840</u>
8,040,474	<u>2,953,612</u>	<u>340,522</u>		<u>24,835,000</u>	<u>14,478</u>	<u>36,184,086</u>
29,120		<u>2,250</u>				<u>31,370</u>
<u>1,214,844</u>						<u>1,214,844</u>
<u>\$44,561,435</u>	<u>\$8,349,424</u>	<u>\$4,834,121</u>	<u>\$76,460,000</u>	<u>\$113,690,000</u>	<u>\$1,423,263</u>	<u>\$249,318,243</u>

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
INDIVIDUAL FUND BALANCE SHEETS
JUNE 30, 1966

	LIABILITIES AND FUND BALANCES							
	Total	Bonded Debt	Accounts Payable and Commitments	Interfund Accounts Payable	Reserves	Deferred Credits	Unencumbered Appropriations	Unappropriated
Hetch Hetchy Project:								
Operating	\$ 13,018,246		\$ 3,502,841	\$ 335,915	\$ 49,598	\$ 605,108	\$ 5,223,610	\$ 3,301,174
1925 Water Bonds	750,000	\$ 750,000						
1928 Water Bonds	7,200,000	7,200,000						
1932 Water Bonds	900,000	900,000						
1947 Water Bonds	1,080,000	1,080,000						
1949 Cherry Valley Dam Bonds	477,587	430,000					47,587	
1955 Hetch Hetchy Power Bonds	43,075,293	37,380,000	3,509,296	95,500			1,890,000	200,497
	66,501,126	47,740,000	7,012,137	431,415	49,598	605,108	7,161,197	3,501,671
San Francisco Water Department:								
Operating	12,319,554		1,535,423	2,742,218	890,615	175,626	5,283,405	1,692,267
1928 Spring Valley Bonds	5,000,000	5,000,000						
1961 Municipal Water System Bonds	120,672,539	36,115,000	6,585,358	292,872			20,321,242	57,358,067
	137,992,093	41,115,000	8,120,781	3,035,090	890,615	175,626	25,604,647	59,050,334
Municipal Railway of San Francisco:								
Operating	7,375,030		1,623,897	1,481,444	946,850	732,899	1,198,939	1,391,001
1947 Municipal Railway Rehabilitation	19,894						19,894	
	7,394,724		1,623,897	1,481,444	946,850	732,899	1,218,833	1,391,001
San Francisco International Airport:								
Operating	7,446,626		715,468	467,462	94,359	500	3,042,857	3,125,980
Special Aviation	6,517		2,438				3,035	1,044
1956 Airport Bonds	16,280,908	15,785,000	269,131	23,000			146,499	57,278
Federal Airport Project	2,704,195		357,715	395,569			648,344	1,302,567
1962 Airport Bonds	9,745,840	9,050,000	8,077	30,500			559,589	97,674
	36,184,086	24,835,000	1,352,829	916,531	94,359	500	4,400,324	4,584,563
Public Utilities Commission - Operating	31,370		9,462	13,081	1,000	1,475		6,352
Bond Interest and Redemption	1,214,844		83,594		1,131,250			
	\$249,318,243	\$113,690,000	\$18,202,700	\$5,877,561	\$3,113,672	\$1,515,608	\$38,384,801	\$68,533,901

Subject to the accountants' report.

San Francisco Water Department

AND

HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF ACCOUNTS

YEAR ENDED JUNE 30, 1966

JOHN F. FORBES & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF THE
AMERICAN GROUP OF C. P. A. FIRMS
WITH OFFICES IN PRINCIPAL CITIES

CROCKER BUILDING
SAN FRANCISCO 94104

September 20, 1966.

The Honorable Nathan B. Cooper,
Controller, City and County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements and schedules of
the San Francisco Water Department and Hetch Hetchy Project as follows:

Financial Statements

Exhibit

- A - Comparative Combined Balance Sheet,
June 30, 1966 and 1965.
- B - Comparative Combined Statement of Income
Years Ended June 30, 1966 and 1965.
- C - Combining Balance Sheet, June 30, 1966.
- D - Combining Statement of Income
Year Ended June 30, 1966.
- E - Combining Statement of Surplus
Year Ended June 30, 1966.

Notes to Financial Statements, June 30, 1966.

Supplemental Information

Schedule

- 1 - Combining Summary of Property, Plant, and
Equipment, and Related Accumulated
Depreciation, June 30, 1966.
- 2 - Combining Summary of Additions and Retirements
to Utility Plant in Service
Year Ended June 30, 1966.
- 3 - Combining Statement of Bonded Indebtedness,
June 30, 1966.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1966, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except as explained in Note 4 to the financial statements.

The supplemental schedules, although not considered necessary for a fair presentation of the accompanying financial statements, have been subjected to the audit procedures applied in the examination of the financial statements and in our opinion are fairly presented.

Yours truly,

John F. Forbes & Company

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMPARATIVE COMBINED BALANCE SHEET, JUNE 30, 1966 AND 1965

JUNE 30.....	INCREASE (DECREASE)
	1966	1965
A S S E T S		
PROPERTY, PLANT, AND EQUIPMENT (Note 1):		
Utility plant in service.....	\$323,225,078	\$321,145,121
Utility plant not in service.....	1,071,424	1,063,944
	324,296,502	322,209,065
	104,202,562	99,610,344
Less accumulated depreciation.....	220,093,940	222,598,721
	35,974,941	21,517,481
Construction work in progress.....	256,068,881	244,116,202
Property, plant, and equipment, net.....	30,997,505	30,771,923
CASH.....	3,294,945	3,031,550
ACCOUNTS RECEIVABLE, NET (Notes 2 and 5).....	444,544	253,837
INTERFUND ACCOUNTS RECEIVABLE.....		190,707
OTHER ASSETS:		
Materials and supplies.....	731,935	639,796
Commitments for materials and services not received (contra)...	11,135,831	13,204,994
Other.....	367,459	933,723
	<u>\$303,041,100</u>	<u>\$292,952,025</u>
	<u>\$10,089,075</u>	
L I A B I L I T I E S		
BONDED DEBT (Note 3).....	\$ 88,905,000	\$ 88,886,000
BOND INTEREST PAYABLE.....	895,269	909,253
ACCOUNTS PAYABLE AND COMMITMENTS:		
Accounts payable (Note 4).....	4,518,950	2,256,768
Commitments for materials and services not received (contra)...	11,135,831	13,204,994
DEPOSITS AND CONSTRUCTION ADVANCES.....	327,998	364,672
INTERFUND ACCOUNTS PAYABLE.....	235,018	696,397
RESERVES AND DEFERRED CREDITS:		
Injuries and damages reserve.....	90,000	61,951
Consumers' accounts subject to adjustment (Note 5).....	59,952	59,950
Other.....	7,284	4,618
SURPLUS.....	196,865,798	186,507,422
	<u>\$303,041,100</u>	<u>\$292,952,025</u>
	<u>\$10,089,075</u>	

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMPARATIVE COMBINED STATEMENT OF INCOME
YEARS ENDED JUNE 30, 1966 AND 1965

	...YEAR ENDED JUNE 30...		INCREASE (DECREASE)
	1966	1965	
OPERATING REVENUES (Note 8):			
Water sales*	\$18,158,956	\$17,401,022	\$ 757,934
Electrical energy sales*	11,009,193	10,478,880	530,313
	29,168,149	27,879,902	1,288,247
OPERATING EXPENSES:			
Purchases of electrical energy	1,427,210	2,144,702	(717,492)
Production expenses	628,009	593,134	34,875
Source of supply	1,065,843	978,589	87,254
Pumping	129,966	139,860	(9,894)
Water treatment	477,047	428,942	48,105
Transmission and distribution	5,107,830	4,909,423	198,407
Commercial (customers' accounts and sales expenses)	781,006	829,334	(48,328)
Administration and general	2,683,212	2,445,662	237,550
Property taxes (Note 8)	1,250,387	1,273,082	(22,695)
Depreciation	4,648,597	4,271,559	377,038
	18,199,107	18,014,287	184,820
OPERATING INCOME	10,969,042	9,865,615	1,103,427
OTHER INCOME:			
Gains from disposition of property, net	28,951	196,606	(167,655)
Rentals received (including crop sales)	504,887	494,382	10,505
Interest earned	130,158	114,472	15,686
Miscellaneous	566,059	342,593	223,466
	1,230,055	1,148,053	82,002
OTHER DEDUCTIONS:			
Interest on bonded debt	1,769,895	1,437,068	332,827
Agricultural division and rental and crop expenses	67,148	71,509	(4,361)
Miscellaneous	3,678	6,231	(2,553)
	1,840,721	1,514,808	325,913
EXCESS OF REVENUES OVER EXPENSES	\$10,358,376	\$ 9,498,860	\$ 859,516

*Water and electrical energy sales by Hetch Hetchy Project to the Water Department and the corresponding expense of the Water Department have been eliminated. These sales amounted to \$6,105,471 for the year ended June 30, 1966 and \$4,810,851 for the year ended June 30, 1965.

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING BALANCE SHEET, JUNE 30, 1966

A S S E T S	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
PROPERTY, PLANT, AND EQUIPMENT (Schedule 1) (Note 1):				
Utility plant in service:	\$ 5,958,543		\$ 3,222,913	\$ 2,735,630
Water rights and other intangible assets	317,266,535		138,940,271	178,326,264
Tangible plant.....	1,071,424		661,790	409,634
Utility plant not in service - Tangible plant.....	324,296,502		142,824,974	181,471,528
Less accumulated depreciation.....	104,202,562		46,568,945	57,633,617
	220,093,940		96,256,029	123,837,911
Construction work in progress.....	35,974,941		11,329,721	24,645,220
Property, plant, and equipment, net.....	256,068,881		107,585,750	148,483,131
CASH:				
On deposit with Treasurer.....	30,963,505		13,074,229	17,889,276
Revolving funds.....	34,000		30,000	4,000
Total cash.....	30,997,505		13,104,229	17,893,276
ACCOUNTS RECEIVABLE:				
Consumers' accounts.....	3,257,886		1,831,026	1,426,860
Rentals, claims, and miscellaneous accounts (Note 2).....	198,891		149,590	49,301
Less allowance for doubtful accounts (Note 5).....	3,456,777		1,980,616	1,476,161
Accounts receivable, net.....	161,832		161,832	
	3,294,945		1,818,784	1,476,161
INTERFUND ACCOUNTS RECEIVABLE:				
General city departments and funds.....	214,481		13,203	201,278
Other public service departments.....	230,063	\$1,210,727	903,368	537,422
Total interfund accounts receivable.....	444,544	1,210,727	916,571	738,700
OTHER ASSETS:				
Materials and supplies.....	731,935		686,337	45,598
Commitments for material and services not received (contra).....	11,135,831		6,025,902	5,109,929
Other work in progress.....	355,717		265,798	89,919
Deferred charges and deposits.....	11,742		7,291	4,451
Total other assets.....	12,235,225		6,985,328	5,219,897
	\$303,041,100	\$1,210,727	\$130,410,562	\$173,841,165

See notes to financial statements.

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING BALANCE SHEET, JUNE 30, 1966

L I A B I L I T I E S

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
BONDED DEBT (Schedule 3) (Note 3):				
Matured bonds not presented for payment.....	\$ 50,000		\$ 5,000	\$ 45,000
Maturing within one year.....	7,000,000		1,765,353	5,234,647
Maturing subsequent to June 30, 1967.....	81,895,000		26,953,861	54,941,139
Total bonded debt.....	88,905,000		28,724,214	60,180,786
BOND INTEREST PAYABLE:				
Matured coupons not presented for payment.....	28,163		4,387	23,776
Due July 1, 1966.....	293,250		112,500	180,750
Accrued due subsequent to July 1, 1966.....	573,856			573,856
Total bond interest payable.....	895,269		116,887	778,382
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants outstanding and payroll deductions payable.....	343,394		230,772	112,622
Accounts payable.....	2,743,978		1,499,383	1,244,595
Accrued payroll.....	426,904		301,720	125,184
Accrued vacation and sick pay (Note 4).....	57,002			57,002
Retained percentages due contractors.....	947,672		374,386	573,286
Commitments for materials and services not received (contra).....	11,135,831		6,025,902	5,109,929
Total accounts payable and commitments.....	15,654,781		8,432,163	7,222,618
DEPOSITS AND CONSTRUCTION ADVANCES.....	327,998		327,998	
INTERFUND ACCOUNTS PAYABLE:				
General city departments and funds.....	175,037		133,254	41,783
Other public service departments.....	59,981	\$1,210,727	377,572	893,136
Total interfund accounts payable.....	235,018	1,210,727	510,826	934,919
RESERVES AND DEFERRED CREDITS:				
Injuries and damages reserve.....	90,000		75,000	15,000
Consumers' accounts subject to adjustment (Note 5).....	59,952		59,952	
Other.....	7,284		3,786	3,498
Total reserves and deferred credits.....	157,236		138,738	18,498
SURPLUS (Exhibit E).....	196,865,798		92,159,836	104,705,962
	\$303,041,100	\$1,210,727	\$130,410,662	\$173,841,165

See notes to financial statements.

(Concluded) - 2.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF INCOME
 YEAR ENDED JUNE 30, 1966

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
OPERATING REVENUES (Note 8):				
Water sales.....	\$18,158,956	\$5,800,000	\$18,158,956	\$ 5,800,000
Electrical energy sales.....	11,009,193	305,471		11,314,664
	29,168,149	6,105,471	18,158,956	17,114,664
OPERATING EXPENSES:				
Standby charges and purchases of water.....		5,800,000	5,800,000	
Purchases of electrical energy.....	1,427,210			1,427,210
Production expenses.....	628,009			628,009
Source of supply.....	1,065,843	6,541	1,072,384	
Pumping.....	129,966	264,840	394,806	
Water treatment.....	477,047	15,375	492,422	
Transmission and distribution.....	5,107,830	7,926	2,559,354	2,556,402
Commercial (customers' accounts and sales expenses).....	781,006		781,006	
Administration and general.....	2,683,212	10,789	1,652,352	1,041,649
Property taxes (Note 8).....	1,250,387		1,002,177	248,210
Depreciation.....	4,648,597		1,920,833	2,727,764
	18,199,107	6,105,471	15,673,334	8,629,244
OPERATING INCOME.....	10,969,042		2,483,622	8,485,420
OTHER INCOME:				
Gains from dispositions of property, net.....	28,951		25,673	3,278
Rentals received (including crop sales).....	504,887		475,226	29,661
Interest earned.....	130,158		130,158	
Miscellaneous.....	566,059		460,452	105,607
	1,230,055		1,091,509	138,546
OTHER DEDUCTIONS:				
Interest on bonded debt.....	1,769,895		607,482	1,162,413
Agricultural division, rental and crop expenses.....	67,148		67,148	
Miscellaneous.....	3,678		3,154	524
	1,840,721		677,784	1,162,937
EXCESS OF REVENUES OVER EXPENSES.....	\$10,358,376		\$ 2,897,347	\$ 7,461,029

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENT AND HETCH HETCHY PROJECTCOMBINING STATEMENT OF SURPLUS
YEAR ENDED JUNE 30, 1966

	COMBINED	WATER DEPARTMENT	HETCH HETCHY PROJECT
BALANCE, JUNE 30, 1965.....	\$186,507,422	\$89,262,489	\$ 97,244,933
EXCESS OF REVENUES OVER EXPENSES (Exhibit D).....	<u>10,358,376</u>	<u>2,897,347</u>	<u>7,461,029</u>
BALANCE, JUNE 30, 1966 (Exhibit C).....	<u>\$196,865,798</u>	<u>\$92,159,836</u>	<u>\$104,705,962</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1966

NOTE:

1. PROPERTY, PLANT, AND EQUIPMENT

Section 128 of the charter of the City and County of San Francisco provides that the Public Utilities Commission shall make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recently completed appraisal as of June 30, 1963, have been given effect in the accounts as of June 30, 1964. Additions to properties subsequent to June 30, 1963, have been recorded at cost. Depreciation for the year ended June 30, 1966, is based upon rates as set forth in the 1963 appraisal and additions for the years ended June 30, 1964 and 1965.

The electors of the City and County of San Francisco approved a \$54,000,000 Hetch Hetchy Power bond issue in 1955 to be used for the Cherry and Canyon projects in Tuolumne County, California. As of June 30, 1966, this entire bond issue had been sold and \$49,275,298 had been expended on these projects. Of these expenditures \$28,998,773 was attributable to completed projects and is reflected in Utility Plant in Service. The balance of these expenditures is attributable to uncompleted projects and is included in Construction Work in Progress at June 30, 1966.

The electors of the City and County of San Francisco approved a \$115,000,000 Municipal Water System bond issue to be used for various projects. As of June 30, 1966, \$38,540,000 of these bonds had been issued with \$24,590,000 allocated to the Water Department and \$13,950,000 to the Hetch Hetchy Project. Of these funds the Water Department and the Hetch Hetchy Project have expended \$21,933,966 and \$12,400,990, respectively. Bond fund expenditures attributable to completed projects totaling \$13,230,453 for the Water Department and \$11,736,777 for the Hetch Hetchy Project are reflected in Utility Plant in Service. The balance of these expenditures is attributable to uncompleted projects and is included in Construction Work in Progress at June 30, 1966.

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1966

2. ACCOUNTS RECEIVABLE

Included in the miscellaneous accounts receivable of the Water Department at June 30, 1966, is an amount due from the State of California in the amount of \$52,866. This balance is subject to negotiation with the State and realization is indeterminable at this time. No allowance has been shown in the accompanying financial statements to provide for any possible losses at June 30, 1966.

3. BONDED DEBT

Information concerning the combined bonded debt of \$88,905,000, incurred upon the general faith and credit of the City and County of San Francisco, is provided in Schedule 3 accompanying the financial statements. In general, bonds in the amount of \$88,855,000 mature serially in varying annual amounts through the fiscal year ending June 30, 1986. A summary of maturities for the succeeding five years follows:

Year Ending <u>June 30</u>	
1967.....	\$ 7,000,000
1968.....	7,720,000
1969.....	7,125,000
1970.....	7,765,000
1971.....	<u>6,865,000</u>
	<u>\$36,475,000</u>

4. ACCRUED VACATION AND SICK PAY

The Hetch Hetchy Project has accrued vacation and sick pay in the amount of \$57,002 at June 30, 1966. These accruals represent the unpaid balance of vacation and sick pay charged to other city departments by the Utilities Engineering Bureau. Accrued vacation and sick pay were not shown in the financial statements at June 30, 1966.

(Continued) - 2.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1966

5. RESERVES

The Water Department, on acquisition of the facilities of the Spring Valley Water Company, assumed contracts executed by that company which entitled certain consumers to receive water either at reduced rates or free of charge. Based upon a legal opinion of the City Attorney that the contracts were illegal and unenforceable these consumers were billed at normal scheduled rates. A number of consumers filed claims contesting the cancellation of these contracts and for damages resulting therefrom. During the year ended June 30, 1962, the two largest outstanding claims were settled in favor of the consumers. The unpaid billings from November 17, 1950 to June 30, 1966, aggregating \$120,722 are included in consumer accounts receivable and a full allowance has been provided therefor. During the above period certain consumers paid the billings at the normal schedule rates, but considered these payments as made under protest. The Water Department has established a reserve in the amount of \$59,952 representing these payments made under protest, however, no provision has been made for any damages which may be awarded in litigation. No claims were settled in the year ended June 30, 1966.

6. PENSION PLAN

The Water Department and Hetch Hetchy Project, as part of the City and County of San Francisco, participate in a compulsory contributory retirement plan for full time employees, integrated with the benefits provided by the Social Security Law.

Costs for the year ended June 30, 1966, based on actuarial computations are as follows:

Water Department.....	\$287,902
Hetch Hetchy Project.....	138,859

(Continued) - 3.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1966

7. PROJECTED MERGER

Section 122 of the Charter of the City and County of San Francisco requires that the Hetch Hetchy Project be merged on completion with the Water Department. In the opinion of the City Attorney, the project had not been completed at June 30, 1966. However, a charter amendment has been approved by the electorate to permit a merger prior to physical completion, upon recommendation by the Public Utilities Commission and approval by the Board of Supervisors by a two-thirds vote. The Public Utilities Commission does not consider it to be in the public interest to merge these departments at this time.

8. OPERATING REVENUE AND TAX EXPENSE

Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other customers are billed bimonthly. The billing operation is on a cyclic basis for consumption in the preceding one or two month period.

The combining statement of income, Exhibit D, does not include recorded revenues from water delivered to certain municipal departments without charge which, if billed at regular rates would have amounted to \$1,225,423; nor does the statement include a charge of an equal amount for municipal tax expense which is also recorded in the accounts of the Water Department. The amount of \$1,225,423 was computed and recorded in contra accounts in token of compliance with Section 64 of the Charter of the City and County of San Francisco, which provides that the accounts of each utility shall be maintained in such manner as to show estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated. However, on the basis of an estimate by the City Assessor covering the fiscal year ended June 30, 1966, real property taxes within San Francisco would approximate \$3,272,710 for the San Francisco Water Department and \$90,353 for the Hetch Hetchy Project.

(Continued) - 4.

9. CONTINGENT LIABILITIES

The Water Department and Hetch Hetchy Project are contingently liable in connection with various property damage, personal injury, and other matters at June 30, 1966. The amounts claimed aggregated \$1,886,300 but actual liability cannot be ascertained at this time.

Major types of insurance risks are placed with independent insurance carriers; however, the Water Department and Hetch Hetchy Project act as self-insurers against losses from Workmen's compensation claims and certain other liability and property casualty losses. Injury and damage reserves of \$75,000 for the Water Department and \$15,000 for the Hetch Hetchy Project have been provided for in the accompanying financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT,
AND RELATED ACCUMULATED DEPRECIATION, JUNE 30, 1966

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
UTILITY PLANT IN SERVICE:		
Water rights and other intangible assets:		
Water Department.....	\$ 3,222,913	
Hetch Hetchy Project.....	2,735,630	
Total intangible plant in service	5,958,543	
Tangible plant:		
Water Department:		
Landed capital.....	14,969,809	
Source of supply plant.....	45,430,935	\$ 13,895,424
Pumping plant.....	2,662,084	1,135,686
Water treatment plant.....	1,166,845	363,295
Transmission and distribution plant..	69,201,886	28,786,449
General plant.....	3,753,066	1,410,326
Interest during construction.....	1,755,646	519,118
Total Water Department.....	138,940,271	46,110,298
Hetch Hetchy Project:		
Electric plant:		
Hydraulic production.....	31,123,509	8,330,406
Transmission plant.....	11,390,926	3,280,339
Distribution plant.....	21,423	10,481
General plant.....	295,904	151,655
Interest during construction.....	3,808,845	276,000
Total electric plant.....	46,640,607	12,048,881
Water plant:		
Pumping plant.....	15,375	11,517
Water treatment plant.....	151,643	87,704
Transmission and distribution plant	82,185,892	31,308,792
Interest during construction.....	891,685	20,055
Total water plant.....	83,244,595	31,428,068
Joint plant:		
Hydraulic plant.....	45,358,857	12,751,509
Transmission plant.....	153,319	83,493
Distribution plant.....	116,973	75,654
General plant.....	2,811,913	1,246,012
Total joint plant.....	48,441,062	14,156,668
Total Hetch Hetchy Project.....	178,326,264	57,633,617
Total tangible plant		
in service.....	317,266,535	103,743,915
Total utility plant in service (Forward).	323,225,078	103,743,915

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
 WATER DEPARTMENT AND HETCH HETCHY PROJECT
 COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
UTILITY PLANT IN SERVICE (Forward).....	\$323,225,078	\$103,743,915
UTILITY PLANT NOT IN SERVICE:		
Tangible plant:		
Water Department.....	661,790	458,647
Hetch Hetchy Project.....	409,634	
Total utility plant not in service.....	1,071,424	458,647
CONSTRUCTION WORK IN PROGRESS:		
Water Department:		
Calaveras and San Antonio		
Filtration Plant.....	4,926,520	
Pipeline from Calaveras and San Antonio		
Filtration Plant to Alameda Creek		
Syphon.....	922,593	
Pipeline from San Antonio Reservoir to		
San Antonio Pump Station.....	55,876	
Bay Division Pipeline #4.....	3,031,285	
Crystal Springs Pipeline #3.....	568,355	
Balboa Reservoir.....	659,432	
Unallocated bond interest capitalized..	419,740	
Water mains.....	394,339	
Water lines.....	136,712	
Water service renewals.....	130,692	
Other.....	84,177	
Total Water Department.....	11,329,721	
Hetch Hetchy Project:		
Canyon Power Project.....	20,245,440	
San Joaquin Pipeline #3.....	630,826	
Moccasin Powerhouse.....	445,776	
Unallocated bond interest capitalized..	3,205,359	
Other.....	117,819	
Total Hetch Hetchy Project.....	24,645,220	
Total construction work in progress.....	35,974,941	
TOTAL PROPERTY, PLANT, AND EQUIPMENT.....	\$360,271,443	\$104,202,562

See notes to financial statements.

(Concluded) - 2.

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING SUMMARY OF ADDITIONS AND RETIREMENTS
TO UTILITY PLANT IN SERVICE
YEAR ENDED JUNE 30, 1966

	<u>ADDITIONS</u>	<u>RETIREMENTS</u>
Water Department:		
Landed capital.....	\$ 31,702	\$ 2,365
Source of supply plant.....		130,320
Pumping plant.....		13,882
Water treatment plant.....	54,098	249
Transmission and distribution plant.....	2,067,936	47,398
General plant.....	170,146	84,136
Bond interest during construction.....	(110,725)*	9,012
Total Water Department.....	<u>2,213,157</u>	<u>287,362</u>
Hetch Hetchy Project:		
Electric plant.....	4,016	11,896
Water plant.....	132,470	
Joint plant.....	72,872	43,300
Total Hetch Hetchy Project....	<u>209,358</u>	<u>55,196</u>
	<u>\$2,422,515</u>	<u>\$342,558</u>

*Adjustment resulting from recalculation of interest allocation between the Water Department and the water plant of Hetch Hetchy Project on 1961 Municipal Water System Bonds.

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF BONDED INDEBTEDNESS, JUNE 30, 1966

	MATURED	UNMATURED	TOTAL
WATER DEPARTMENT:			
Spring Valley, July 1, 1928, 4-1/2%.....	\$ 5,000	\$ 5,000,000	\$ 5,005,000
1947 Hetch Hetchy Water:			
Series A, February 1, 1948, 2-1/2%.....		81,600	81,600
Series F, August 1, 1953, 2-1/2%.....		275,646	275,646
1961 Municipal Water System:			
Series A, March 1, 1962, 2-1/2% to 3%.....		404,284	404,284
Series B, April 1, 1963, 2-1/4% to 6%.....		13,875,006	13,875,006
Series C, September 1, 1964, 1/4% to 6%.....		2,082,678	2,082,678
Series D, September 1, 1965, 2-3/4% to 6%.....		7,000,000	7,000,000
Total Water Department.....	5,000	28,719,214	28,724,214
HETCH HETCHY PROJECT:			
Water, July 1, 1910, 4-1/2%.....	8,000		8,000
Hetch Hetchy Water, January 1, 1925, 5%.....	1,000	750,000	751,000
Hetch Hetchy, July 1, 1928, 4-1/2%.....	2,000	7,200,000	7,202,000
Hetch Hetchy, June 1, 1932, 2-3/4% to 5%.....	21,000	900,000	921,000
1947 Hetch Hetchy Water:			
Series A, February 1, 1948, 2-1/2%.....	3,000	668,400	671,400
Series F, August 1, 1953, 2-1/2%.....		54,354	54,354
1949 Cherry Valley Dam:			
Series B, December 1, 1952, 1-3/4%.....		430,000	430,000
1955 Hetch Hetchy Power:			
Series A, April 1, 1957, 2-1/2%.....	10,000	5,250,000	5,260,000
Series B, November 1, 1957, 3%.....		7,850,000	7,850,000
Series C, May 1, 1958, 2-1/4% to 2-3/4%.....		3,250,000	3,250,000
Series D, December 1, 1958, 3%.....		1,365,000	1,365,000
Series E, June 1, 1959, 3% to 3-1/4%.....		1,365,000	1,365,000
Series F, February 1, 1960, 1% to 6%.....		3,150,000	3,150,000
Series G, October 1, 1960, 1% to 3-1/4%.....		11,250,000	11,250,000
Series H, September 1, 1964, 1/4% to 6%.....		3,900,000	3,900,000
1961 Municipal Water System:			
Series A, March 1, 1962, 2-1/2% to 3%.....		5,255,716	5,255,716
Series B, April 1, 1963, 2-1/4% to 6%.....		7,399,994	7,399,994
Series C, September 1, 1964, 1/4% to 6%.....		97,322	97,322
Total Hetch Hetchy Project.....	45,000	60,135,786	60,180,786
	\$50,000	\$88,855,000	\$88,905,000

See notes to financial statements.

Municipal Railway of San Francisco



REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1966

September 26, 1966

The Honorable Nathan B. Cooper, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

We have examined the Balance Sheet of the

SAN FRANCISCO MUNICIPAL RAILWAY

A Public Service Enterprise of the
City and County of San Francisco

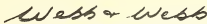
at June 30, 1966, and the related Statements of Operations and Surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet and Statements of Operations and Surplus present fairly the financial position of the San Francisco Municipal Railway at June 30, 1966, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Attached and made part of this report are the following:

<u>Exhibit A</u>	<u>Balance Sheet</u>	<u>June 30, 1966</u>
<u>Exhibit B</u>	<u>Statement of Surplus</u>	<u>Year Ended June 30, 1966</u>
<u>Exhibit C</u>	<u>Statement of Operations</u>	<u>Years Ended</u> <u>June 30, 1966 and 1965</u>
<u>Exhibit D</u>	<u>Funds Statement</u>	<u>Year Ended June 30, 1966</u>
	<u>Notes to the Financial Statements</u>	<u>June 30, 1966</u>
	<u>Statistics (Unaudited)</u>	<u>Years as Indicated</u>

Yours very truly,


Webb & Webb

SAN FRANCISCO MUNICIPAL RAILWAY

BALANCE SHEET

ASSETS

Fixed Capital:

Road and equipment - Note 1	\$31,687,626	
Less: Accumulated depreciation	<u>23,612,642</u>	
<u>Depreciated Cost</u>		\$8,074,984
New construction in progress -		
Operating fund		<u>42,002</u>
<u>Total</u>		\$ 8,116,986

Cash:

On deposit with treasurer	\$5,219,384	
Farebox operating change fund	250,000	
Revolving funds	<u>20,000</u>	
<u>Total</u>		5,489,384

Accounts Receivable:

Operating and miscellaneous non-revenue	\$ 110,826	
Reimbursement jobs - Unbilled costs	<u>94,640</u>	
<u>Total</u>		205,466

Interfund Accounts Receivable:

General City and County departments and funds	\$ 115,251	
Public Service Enterprises	<u>58,873</u>	
<u>Total</u>		174,124

Deferred Charges and Other Assets:

Materials and supplies - Note 2	\$ 676,850	
Prepaid rental of leased equipment - Note 3	254,723	
Other deferred charges - Note 4	626,109	
Federal and other grants receivable	\$ 54,068	
Less: Reserve against unapproved grants	<u>54,068</u>	-
Commitments - Contra		<u>314,265</u>
<u>Total</u>		<u>1,871,947</u>

Total Assets

\$15,857,907

SAN FRANCISCO MUNICIPAL RAILWAYEXHIBIT AJUNE 30, 1966LIABILITIES AND SURPLUSBonded Debt:

Matured bonds not presented for payment	\$	200
---	----	-----

Bond Interest Payable:

Matured coupons not presented for payment		278
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Accounts Payable and Commitments:

Outstanding warrants and payroll deductions	\$1,722,717	
General creditors	266,513	
Commitments - Contra	<u>314,265</u>	
<u>Total</u>		2,303,495

Interfund Accounts Payable:

General City and County departments and funds	\$ 287,352	
Public Service Enterprises	<u>23,515</u>	
<u>Total</u>		310,867

Estimated Liabilities:

Accident claims - Note 5	\$4,487,535	
Employees' compensation claims	<u>565,000</u>	
<u>Total</u>		5,052,535

Surplus - Exhibit B		<u>8,190,532</u>
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<u>Total Liabilities and Surplus</u>		<u>\$15,857,907</u>
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SAN FRANCISCO MUNICIPAL RAILWAYEXHIBIT BSTATEMENT OF SURPLUSYEAR ENDED JUNE 30, 1966Contributed Surplus:

Balance - July 1, 1965		\$64,514,824
Contributions:		
From City and County of San Francisco:		
General Taxes	\$ 8,943,119	
General Fund	310,056	
From Federal grants - H.H.F.A.	<u>165,532</u>	<u>9,418,707</u>
<u>Balance</u> - June 30, 1966		\$73,933,531

Deficit from Operations:

Balance - July 1, 1965	\$56,837,025	
Net loss for year - Exhibit C	<u>8,905,974</u>	
<u>Balance</u> - June 30, 1966		<u>65,742,999</u>
<u>Surplus</u> - June 30, 1966		<u>\$ 8,190,532</u>

SAN FRANCISCO MUNICIPAL RAILWAYEXHIBIT CSTATEMENT OF OPERATIONSYEARS ENDED JUNE 30, 1966 AND 1965

	<u>1 9 6 6</u>	<u>1 9 6 5</u>
<u>Revenue:</u>		
Passenger	\$20,100,665	\$19,629,163
Advertising	191,880	191,769
Rents	13,201	14,293
Other	<u>45,103</u>	<u>69,590</u>
<u>Total Revenue</u>	<u>\$20,350,849</u>	<u>\$19,904,815</u>
<u>Expenses:</u>		
Maintenance and repairs:		
Ways and structures	\$ 1,078,037	\$ 1,016,910
Equipment	<u>3,480,227</u>	<u>2,942,220</u>
<u>Total</u>	<u>\$ 4,558,264</u>	<u>\$ 3,959,130</u>
Power	1,824,986	1,790,005
Conducting transportation	15,503,380	14,657,917
General and miscellaneous	4,208,944	4,031,617
Payroll taxes	<u>555,011</u>	<u>483,357</u>
<u>Total</u>	<u>\$26,650,585</u>	<u>\$24,922,026</u>
Provision for accident claims	1,708,556	1,668,479
Depreciation	770,641	756,239
Rent of leased equipment - Note 3	<u>261,959</u>	<u>667,048</u>
<u>Total Expenses</u>	<u>\$29,391,741</u>	<u>\$28,013,792</u>
<u>Net Operating Loss</u>	<u>\$ 9,040,892</u>	<u>\$ 8,108,977</u>
<u>Other (Income) and Expense:</u>		
Interest on bank balances	(\$ 113,107)	(\$ 63,868)
Net income from sale of fixed assets, scrap and sundry income	(13,126)	(4,045)
Interest on bonded debt	-	320
Net adjustment to prior years' operations	<u>(8,685)</u>	<u>1,555</u>
<u>Net Other (Income) or Expense</u>	<u>(\$ 134,918)</u>	<u>(\$ 66,038)</u>
<u>Net Loss - Exhibit B</u>	<u>\$ 8,905,974</u>	<u>\$ 8,042,939</u>

SAN FRANCISCO MUNICIPAL RAILWAYEXHIBIT DFUNDS STATEMENTYEAR ENDED JUNE 30, 1966Funds Provided By:

Contributions from City and County of San Francisco	\$9,253,175
From Federal grants approved	<u>165,532</u>
<u>Funds Provided by City and County of San Francisco and Federal Grants</u>	\$ 9,418,707
Reduction of deferred charges and other assets	68,342
Increase in accounts payable	41,454
Increase in estimated liabilities - Claims for accidents and employees' compensation	<u>353,264</u>
<u>Total Funds Provided</u>	<u>\$ 9,881,767</u>

Funds Used:

Net loss - Exhibit C	\$ 8,905,974
Less: Non cash charges to operations - Depreciation	<u>770,641</u>

Funds Applied to Net Loss \$ 8,135,333

Increase in accounts receivable	10,751
Increase in interfund net assets	72,262
Additions to fixed capital - Net of retirements	154,323
Redemption of bonded debt	2,000
Net increase in cash	<u>1,507,098</u>

Total Funds Used \$ 9,881,767

SAN FRANCISCO MUNICIPAL RAILWAY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1966

Note 1 Exhibit A Fixed Capital:

Road and equipment purchased subsequent to June 30, 1938, is stated at cost, except the Market Street Extension which is stated at appraised value as of September 30, 1944. Property acquired prior to June 30, 1938 is stated at appraised value as of that date.

The charter of the City and County of San Francisco provides in Section 128 that there shall be an appraisal every five years of the estimated remaining life and the depreciated value of the property in order to ascertain reasonable annual depreciation. The last appraisal was at June 30, 1963.

Summary of Fixed Capital:

	<u>Total</u>	<u>Ways and Structures</u>	<u>Equipment</u>	<u>Power</u>
July 1, 1965	\$31,617,311	\$18,621,589	\$11,631,258	\$1,364,464
Additions	121,526	26,178	94,456	892
Retirements	(51,211)	(970)	(49,287)	(954)
June 30, 1966	<u>\$31,687,626</u>	<u>\$18,646,797</u>	<u>\$11,676,427</u>	<u>\$1,364,402</u>

Accumulated Depreciation of Fixed Capital:

June 30, 1966	<u>\$23,612,642</u>	<u>\$11,903,831</u>	<u>\$10,718,589</u>	<u>\$ 990,222</u>
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Revenue Rolling Stock at June 30, 1966:

	<u>Total</u>	<u>Streetcars</u>	<u>Motor Coaches</u>	<u>Cable Cars</u>	<u>Trolley Coaches</u>
Owned	579	105	75	39	360
Leased	<u>450</u>		450		
<u>Total</u>	<u>1,029</u>				

Note 2 Exhibit A Materials and Supplies:

Materials and supplies are generally stated at the lower of average cost or estimated scrap or useful value. Cables in service are stated at a value based upon estimated remaining useful life. Transfers are valued at estimated cost.

NOTES TO THE FINANCIAL STATEMENTS (Continued)JUNE 30, 1966

Note 3 Exhibit A Prepaid Rental of Leased Equipment:

The balance of prepaid rental of leased equipment consisted of the following:

	<u>Amount</u>	<u>Number</u>
Fare boxes	\$249,945	880
Assorter heads	4,778	6
<u>Total</u>	<u>\$254,723</u>	

There are 450 coaches leased at an annual rate of \$1.00 per unit. These coaches have completed the guaranteed mileage under the terms of their respective lease agreements.

There are 880 fare boxes being leased under six, fifteen year leases. The oldest lease has seven and three quarter years to run and the most recent, twelve years and ten months.

The assorter heads are leased on a nine year lease, two years of which remain unamortized.

Lease expenses charged to operations during the year are as follows:

Motor coaches	\$228,492
Fare boxes	30,899
Assorter heads	2,568
<u>Total</u>	<u>\$261,959</u>

Note 4 Exhibit A Other Deferred Charges:

This consists of the following items:

Expenditures in progress for reconstruction of railway facilities	\$250,416
Expenditures in progress for Northern California Transit Demonstration Project	365,594
Prepaid insurance	<u>10,099</u>
<u>Total</u>	<u>\$626,109</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)JUNE 30, 1966

Note 5 Exhibit A Estimated Liability - Accident Claims:

Transactions during the year ended June 30, 1966 are summarized as follows:

Estimated liability - July 1, 1965	\$4,134,271
Provision for accidents	<u>1,708,556</u>
	\$5,842,827
Claims paid	<u>1,355,292</u>
Estimated Liability - June 30, 1966	<u>\$4,487,535</u>

Provision for accident claims is based upon 8-1/2% of passenger revenue.

In the opinion of Railway personnel the balance is considered adequate to meet payments expected on claims unsettled at June 30, 1966.

SAN FRANCISCO MUNICIPAL RAILWAY

STATISTICS - OPERATIONS - NOTE A

YEARS AS INDICATED

Mileage traveled by type of equipment during the past two years is indicated in the following schedule.

Type of Equipment	Year Ended June 30				Mileage Increase (Decrease)
	<u>1</u>	<u>9</u>	<u>6</u>	<u>6</u>	
	<u>Mileage</u>	<u>Per Cent of Total</u>	<u>Mileage</u>	<u>Per Cent of Total</u>	
Streetcars	3,501,515	13.21	3,476,384	13.17	25,131
Motor Coaches	14,455,539	54.52	14,398,371	54.56	57,168
Trolley Coaches	8,091,068	30.52	8,092,462	30.67	(1,394)
Cable Cars	<u>463,699</u>	<u>1.75</u>	<u>421,607</u>	<u>1.60</u>	<u>42,092</u>
	<u>26,511,821</u>	<u>100.00</u>	<u>26,388,824</u>	<u>100.00</u>	<u>122,997</u>

The following is a statement of operations expressed in cents per mile.

	<u>Cents Per Mile</u>		<u>Increase (Decrease)</u>
	<u>Year Ended June 30</u>	<u>1966</u>	
	<u>1966</u>	<u>1965</u>	
<u>Operating Income:</u>			
Passenger revenue	75.82	74.38	1.44
Advertising, rents, etc.	<u>.94</u>	<u>1.04</u>	<u>(.10)</u>
<u>Total</u>	<u>76.76</u>	<u>75.42</u>	<u>1.34</u>
<u>Operating Expenses:</u>			
Maintenance and repairs			
Ways and structures	4.07	3.85	.22
Equipment	13.13	11.15	1.98
Power	6.88	6.78	.10
Conducting transportations	58.48	55.54	2.94
General and miscellaneous	16.55	15.28	1.27
Payroll taxes	1.41	1.83	(.42)
Provision for accident claims	6.44	6.32	.12
Depreciation	2.91	2.87	.04
Rent of leased equipment	<u>.98</u>	<u>2.53</u>	<u>(1.55)</u>
<u>Total</u>	<u>110.85</u>	<u>106.15</u>	<u>4.70</u>
<u>Loss from Operations</u>	<u>34.09</u>	<u>30.73</u>	<u>3.36</u>

Note A This statistical data is presented without audit or verification.

Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

San Mateo County



REPORT ON EXAMINATION OF ACCOUNTS

For the Fiscal Year Ended

June 30, 1966

HOOD AND STRONG
CERTIFIED PUBLIC ACCOUNTANTS

100 Bush Street, San Francisco 4, Calif.

TELEPHONE SUTTER 1-0793

#8919 - 2257

September 26, 1966

THE HONORABLE NATHAN B. COOPER, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with instructions, we have examined the balance sheet of the SAN FRANCISCO INTERNATIONAL AIRPORT as of June 30, 1966, and the related statements of income and surplus for the year ended on that date, and present our report, together with the following statements and supporting schedules:

COMPARATIVE BALANCE SHEET - JUNE 30, 1966 AND 1965

COMPARATIVE STATEMENT OF INCOME - YEARS ENDED

JUNE 30, 1966 AND 1965

COMPARATIVE STATEMENT OF SURPLUS - YEARS ENDED

JUNE 30, 1966 AND 1965

NOTES TO FINANCIAL STATEMENTS

ANALYSIS OF BALANCE SHEET:

PROPERTY, PLANT AND EQUIPMENT

SCHEDULE 1

ANALYSIS OF COMPARATIVE STATEMENT OF INCOME:

CONCESSIONS, SALES AND SERVICES

SCHEDULE 2

EXPENSES

SCHEDULE 3

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1966 and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Very truly yours,

Hood and Strong

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO INTERNATIONAL AIRPORT
COMPARATIVE BALANCE SHEET - JUNE 30, 1966 AND 1965

	JUNE 30, 1966	JUNE 30, 1965
ASSETS		
PROPERTY, PLANT AND EQUIPMENT:		
Schedule 1, Note 1		
Land and easements	\$ 2,393,869	\$ 2,393,869
Landplane port	90,526,988	79,051,658
Equipment	881,920	793,619
Seaplane port	<u>1,937,936</u>	<u>1,937,936</u>
Total	\$95,740,713	\$84,177,082
Less accumulated depreciation	<u>20,374,861</u>	<u>18,364,146</u>
Depreciated value	\$75,365,852	\$65,812,936
Construction work in progress	<u>3,235,974</u>	<u>10,373,999</u>
	\$78,601,826	\$76,186,935
CASH:		
On deposit with Treasurer	\$ 8,042,926	\$ 8,842,821
Revolving funds	<u>2,500</u>	<u>2,500</u>
	8,045,426	8,845,321
ACCOUNTS RECEIVABLE:		
Rentals, concessions and other receivables	\$ 1,323,731	\$ 989,972
Damage claims	<u>7,488</u>	<u>9,551</u>
	\$ 1,331,219	\$ 999,523
Less allowance for doubtful receivables	<u>77,381</u>	<u>72,581</u>
	1,253,838	926,942
INTERFUND ACCOUNTS RECEIVABLE:		
Public service departments	\$ 1,252	\$ 6,518
City departments	<u>16,453</u>	<u>-</u>
	17,705	6,518
OTHER ASSETS:		
Federal grants receivable:		
Subject to F.A.A. approval	\$ 1,626,136	\$ 1,199,012
Less reserve against unapproved grants	<u>1,626,136</u>	<u>1,199,012</u>
	\$ -	\$ -
Materials and supplies	14,478	18,189
Prepaid expenses	38,421	35,248
Commitments for materials and services not received (Contra)	<u>856,286</u>	<u>2,813,222</u>
	909,185	2,866,659
	<u>\$88,827,980</u>	<u>\$88,832,375</u>

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO INTERNATIONAL AIRPORT
COMPARATIVE BALANCE SHEET - JUNE 30, 1966 AND 1965

	JUNE 30, 1966	JUNE 30, 1965
LIABILITIES		
BONDED DEBT:		
Note 2		
Matured bonds payable	\$ 3,000	
Maturing within one year	2,050,000	\$ 2,536,000
Maturing subsequent to June 30, 1966 and 1965	<u>22,785,000</u>	<u>24,835,000</u>
	\$24,838,000	\$27,371,000
 BOND INTEREST PAYABLE:		
Matured coupons not yet presented for payment	\$ 1,952	\$ 3,633
Accrued, due subsequent to June 30, 1966 and 1965	<u>207,742</u>	<u>227,587</u>
	209,694	231,220
 ACCOUNTS PAYABLE AND COMMITMENTS:		
Warrants outstanding	\$ 255,471	\$ 268,050
Accounts payable	315,663	391,371
Retained Percentages due contractors	171,759	844,795
Payroll deductions payable	51,870	41,982
Commitments for materials and services not received (Contra)	<u>856,286</u>	<u>2,813,222</u>
	1,651,049	4,359,420
 INTERFUND ACCOUNTS PAYABLE:		
General city departments and funds	\$ 104,825	\$ 76,645
Other public service departments	<u>204,545</u>	<u>170,563</u>
	309,370	247,208
 RESERVES AND DEFERRED CREDITS:		
Note 3		
Prepaid revenue	\$ 365,025	\$ 314,520
Deferred credits	<u>-</u>	<u>783</u>
	365,025	315,303
 SURPLUS		
	<u>61,454,842</u>	<u>56,308,224</u>
	\$88,827,980	\$88,832,375

The accompanying notes are an integral part of the financial statements.

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT
 COMPARATIVE STATEMENT OF INCOME
 YEARS ENDED JUNE 30, 1966 AND 1965

	1966	1965
REVENUE:		
AVIATION ACTIVITIES:		
Air carrier flight operations	\$ 2,369,216	\$2,025,232
Rents:		
Aircraft outdoor storage	\$ 26,338	\$ 23,750
Paved and unimproved areas	315,768	259,435
Hangars	97,207	55,109
Office space - Passenger terminal building	2,081,786	1,827,564
- Air mail and cargo building	397,866	307,393
Other buildings and structures	<u>120,697</u>	<u>113,750</u>
	\$ 3,039,662	\$2,587,001
Aviation fuel and oil:		
Wharfage charges and tank farm rental	\$ 244,168	\$ 200,698
Delivery permits	<u>54,578</u>	<u>30,014</u>
	\$ 298,746	\$ 230,712
Total - Aviation activities	\$ 5,707,624	\$4,842,945
CONCESSIONS: Schedule 2	\$ 5,346,649	\$3,778,040
SALES AND SERVICES Schedule 2	<u>454,669</u>	<u>424,912</u>
TOTAL REVENUE	<u>\$11,508,942</u>	<u>\$9,045,897</u>
EXPENSES: Schedule 3		
Administrative expenses	\$ 1,350,254	\$1,152,037
Maintenance expenses	617,887	516,980
Operating expenses	<u>2,619,017</u>	<u>2,345,929</u>
Total expenses before depreciation	\$ 4,587,158	\$4,014,946
Depreciation	<u>2,027,607</u>	<u>2,013,916</u>
TOTAL EXPENSES	<u>\$ 6,614,765</u>	<u>\$6,028,862</u>
NET OPERATING INCOME	<u>\$ 4,894,177</u>	<u>\$3,017,035</u>
OTHER INCOME AND (EXPENSE):		
Net loss on sale or abandonment of fixed assets	(\$ 1,915)	(\$ 5,320)
Adjustment relating to prior years	(<u>4,992</u>)	<u>-</u>
Total	(\$ <u>6,907</u>)	(\$ <u>5,320</u>)
NET INCOME	<u>\$ 4,887,270</u>	<u>\$3,011,715</u>

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT
 COMPARATIVE STATEMENT OF SURPLUS
 YEARS ENDED JUNE 30, 1966 AND 1965

	1966	1965
BALANCE - beginning of year	\$56,308,224	\$52,421,889
NET INCOME - per accompanying statement of income	4,887,270	3,011,715
CONTRIBUTIONS:		
Federal grants - F.A.A.	247,848	872,674
State of California - Special Aviation Fund	2,500	1,946
Interstate hosts (Re: Contract #354, alterations to Central Terminal)	<u>9,000</u>	<u>-</u>
BALANCE - end of year	<u>\$61,454,842</u>	<u>\$56,308,224</u>

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1966

NOTE 1 - PROPERTY, PLANT AND EQUIPMENT:

(a) Fixed assets are stated substantially at cost to the Airport. As provided in Section 128 of the Charter of the City and County of San Francisco, an appraisal of property, plant and equipment is made at intervals of five years and includes an inspection of the properties as well as a review of the estimated remaining life and depreciated value of the assets in order to determine reasonable annual depreciation. The last appraisal was completed as of June 30, 1963, and the depreciation charge for the current year in the amount of \$2,027,607 is based on rates established therein.

(b) Construction work in progress consists of contracts, many of which are in the preliminary and planning stages. Details of the major contracts under way as of the balance sheet date, are as follows:

	Expended to June 30, 1966	Additional Expenditures Required to Complete (Estimated)	Estimated Date of Completion
Airport Operating Fund:			
Contract #348 - Construction of Pier "FF"	\$592,427	\$287,200	November 1966
Contract #401 - Alterations to Buildings for Construction and Maintenance Base	144,639	27,500	September 1966
Contract #404 - Additions to South Terminal Baggage Conveyor	151,531	16,850	September 1966
1956 Bond Fund:			
Contract #354 - Central Terminal Alterations	1,428,706	164,000	October 1966
Contract #381 - Pavement and Lighting for Extension of Runway 10-R	478,143	220,500	September 1966
Contract #396 - Install In-Runway Lighting Runway 28-L and Taxiway J	13,942	240,800	December 1966

NOTE 2 - BONDED DEBT:

Details of the bonded debt of \$24,838,000 incurred upon the general faith and credit of the City and County of San Francisco, are given below:

	Balances at June 30, 1966	
UNMATURED:		
1956 Airport bonds:		
Series "A" November 1, 1957 3%	\$1,490,000	
Series "B" May 1, 1958 2-1/4% to 2-1/2%	3,700,000	
Series "C" February 1, 1960 3-1/4% to 3-1/2%	1,215,000	
Series "D" July 1, 1961 2-1/2% to 3-1/4%	5,500,000	
Series "E" March 1, 1962 2-1/4% to 3%	<u>3,880,000</u>	\$15,785,000
1962 Airport bonds:		
Series "A" April 1, 1963 2% to 2-3/4%		<u>9,050,000</u>
Total		\$24,835,000
MATURED BONDS PAYABLE		<u>3,000</u>
		\$24,838,000

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the next five years follows:

Year Ending June 30	Amount
1967	\$ 2,050,000
1968	2,600,000
1969	2,600,000
1970	2,600,000
1971	<u>2,600,000</u>
	<u>\$12,450,000</u>

NOTE 3 - PREPAID REVENUE:

This item is comprised of the following:

	<u>TO BE AMORTIZED</u>	
	Within One Year	Beyond One Year
Prepaid rentals	\$ 8,316	
Assigned value of buildings received in lieu of rent:		
Pan American World Airways	17,451	\$ 10,180
Slick Airways, Inc.	5,279	
Tenant improvements:		
Pan American World Airways	49,254	112,725
Pacific Southwest Airlines	18,241	28,175
Delta Air Lines, Inc.	<u>41,184</u>	<u>74,220</u>
	<u>\$139,725</u>	<u>\$225,300</u>

Tenant improvements consist of land fill costs and building improvements incurred by the above lessees on Airport property. These costs are deductible by the lessee corporations from their monthly lease payments to the Airport over an agreed number of years. These amounts will be fully amortized prior to 1970.

NOTE 4 - CONTINGENT LIABILITIES - PENDING ITEMS:

As of June 30, 1966, the San Francisco International Airport was a party to a number of legal actions including two brought against the Airport claiming damages in the amount of \$3,333,333 based on the grounds of so-called "airport noise". In the opinion of the City Attorney, the ultimate liability, if any, which may result from these actions, will not be material in amount.

Major types of insurance risks are placed with independent insurance carriers. However, the Airport acts as self insurer against losses from workmen's compensation claims and certain other liability and property casualty losses.

NOTE 5 - PENSION PLAN:

The Airport participates in the City and County of San Francisco's compulsory contributory retirement plan. The annual charge to income for the plan approximates \$160,000.

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO INTERNATIONAL AIRPORT
ANALYSIS OF BALANCE SHEET
PROPERTY, PLANT AND EQUIPMENT

Schedule 1

JUNE 30, 1966

	Property, Plant and Equipment	Accumulated Depreciation
Land and easements:		
Land	\$ 2,106,967	
Easements	<u>286,902</u>	
Total land and easements	<u>\$ 2,393,869</u>	
Landplane port:		
Landing areas:		
Land reclamation and improvements	\$19,736,137	\$ 407,668
Field drainage	2,945,588	1,366,347
Drainage control	494,073	383,693
Runways, taxiways and aprons	17,464,872	5,294,558
Landing field lighting and marking	<u>1,261,474</u>	<u>697,270</u>
	<u>\$41,902,144</u>	<u>\$ 8,149,536</u>
Utilities, roads and parking areas:		
Roads, walks, parking areas, fences, etc.	\$ 4,179,217	\$ 1,452,783
Water supply system	947,183	334,142
Sewage system	567,261	205,824
Power supply and street lighting system	1,810,178	599,921
Telephone system, field areas	225,728	94,136
Gas supply system	28,494	20,003
Bridges and culverts	261,435	88,507
Landscaping	151,107	53,160
Gasoline line and storage	120,528	91,194
Miscellaneous items	<u>72,613</u>	<u>2,938</u>
	<u>\$ 8,363,744</u>	<u>\$ 2,942,608</u>
Buildings including parking facility	<u>\$40,261,100</u>	<u>\$ 8,022,186</u>
Total landplane port	<u>\$90,526,988</u>	<u>\$19,114,330</u>
Equipment:		
Office furniture and appliances	\$ 218,179	\$ 95,472
Shop tools and building maintenance equipment	33,224	24,174
Fire fighting equipment	190,176	105,742
Motor driven equipment	187,802	117,801
Meteorological equipment	210	189
Drainage pumphouse equipment	58,893	32,392
Sewage pumphouse equipment	4,220	3,713
Other equipment	23,604	12,900
Radio equipment	156,856	52,323
Engineering equipment	<u>8,756</u>	<u>4,155</u>
Total equipment	<u>\$ 881,920</u>	<u>\$ 448,861</u>
Seaplane port:		
Landing areas	\$ 1,501,325	\$ 419,909
Utilities	313,516	288,571
Equipment and other	<u>123,095</u>	<u>103,190</u>
Total seaplane port	<u>\$ 1,937,936</u>	<u>\$ 811,670</u>
Grand total	<u>\$95,740,713</u>	<u>\$20,374,861</u>

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT
 ANALYSIS OF COMPARATIVE STATEMENT OF INCOME
 YEARS ENDED JUNE 30, 1966 AND 1965
 CONCESSIONS, SALES AND SERVICES

	1966	1965
Concessions:		
Restaurant, bar and allied services	\$ 846,738	\$ 707,547
News, tobacco and gift shops	258,817	214,328
Stores - miscellaneous retail	12,630	11,161
Hotel	157,097	127,908
Automobile renting	1,286,999	1,082,058
Limousine, taxi and bus	380,264	315,334
Automobile service station	45,088	41,103
Parking lots	2,029,705	1,011,805
Locker rentals	37,592	30,771
Telephone commissions	46,601	36,763
Rest rooms	37,771	28,740
Sale of petroleum products	128,291	94,022
Advertising	51,440	50,621
Others	<u>27,616</u>	<u>25,879</u>
Total	<u>\$5,346,649</u>	<u>\$3,778,040</u>
Sales and services:		
Electric energy - sales	\$939,539	
- cost of sales	<u>612,846</u>	\$ 326,693
		\$ 288,500
Water - sales	\$119,773	
- cost of sales	<u>92,615</u>	27,158
		31,863
Steam	17,325	20,739
Sewage disposal	36,111	34,536
Rental of airport automobiles	4,127	4,232
Parking meters	39,971	40,124
Miscellaneous	<u>3,284</u>	<u>4,918</u>
Total	<u>\$ 454,669</u>	<u>\$ 424,912</u>

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT
 ANALYSIS OF COMPARATIVE STATEMENT OF INCOME
 YEARS ENDED JUNE 30, 1966 AND 1965

Schedule 3

EXPENSES

	1966	1965
Administrative expenses:		
Salaries and wages	\$ 120,253	\$ 124,471
Pension, retirement and other additives	27,200	20,806
Insurance	50,411	44,427
Dues and subscriptions	5,132	4,190
Interest	629,156	519,334
Real estate taxes	\$238,064	
Less charges to tenants	<u>35,871</u>	
Employee transportation	24,667	24,561
Travel, conventions and conference	8,181	6,902
Printing, stationery and postage	6,373	2,479
Legal and professional services	104,725	6,822
P.U.C. general office expense	130,104	119,833
Miscellaneous contractual expenses	447	2,809
Bad debts	4,800	4,800
Telephone and telegraph	28,078	26,967
Other administrative expenses	<u>8,516</u>	<u>4,641</u>
Total	<u>\$1,350,253</u>	<u>\$1,192,037</u>
Maintenance expenses:		
Salaries and wages	\$ 299,503	\$ 275,233
Pension, retirement and other additives	24,381	20,956
Maintenance - Airfield paved areas	28,485	21,691
- Radio and lighting equipment	23,951	11,951
- Buildings	83,117	73,812
- Drainage and sewer systems	10,120	10,252
- Electric power and water systems	26,508	11,124
- Automobile and other facilities	41,422	33,850
Operating supplies and materials	53,957	33,509
Purchasing department expense	<u>24,451</u>	<u>16,602</u>
	<u>\$ 617,807</u>	<u>\$ 515,940</u>
Operating expenses:		
Salaries and wages	\$1,541,790	\$1,437,809
Pension, retirement and other additives	155,800	142,391
Fire department services	333,780	310,928
Services - Bureau of Engineering	223,176	148,477
Utilities	356,612	299,043
Refuse disposal	\$ 16,242	
Less charges to tenants	<u>8,725</u>	
Other operating expenses	<u>302</u>	<u>460</u>
	<u>\$2,619,017</u>	<u>\$2,345,999</u>

San Francisco School Department
(A Unified School District)



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 1966

HAROLD T. HOERTKORN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

24 CALIFORNIA STREET

SAN FRANCISCO 94111

HAROLD T. HOERTKORN, C. P. A.

ALVIN J. KOPP, C. P. A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

October 10, 1966

Honorable Nathan Cooper
Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your instructions, we have examined the accounts, records, and financial statements of the San Francisco Unified School District for the fiscal year ended June 30, 1966. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, based upon the scope of our examination described above, the accompanying Balance Sheets, Statement of Unappropriated Balance and Statement of Revenues and Expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1966 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

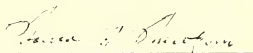
Financial Statement included herein are as follows:

- Exhibit "A" - Balance Sheet as of
June 30, 1966
- Schedule "A-1" - Balance Sheet of the
Capital Funds as of
June 30, 1966
- Schedule "A-2" - Balance Sheet of the
Other Funds as of
June 30, 1966
- Schedule "A-3" - Balance Sheet of the
Trust Funds as of
June 30, 1966

- Exhibit "B" - Statement of Unappropriated
Balance - Current Fund for
the Fiscal Year ended
June 30, 1966
- Exhibit "C" - Current Fund - Comparative
Statement of Revenue and
Expenditures for the
Fiscal Years ended June 30,
1966 and 1965
- Schedule "C-1" - Comparative Statement of
Current Fund Revenues for
the Fiscal Years ended
June 30, 1966 and 1965
- Notes to Financial Statements, June 30, 1966
- General Comments

Sincerely yours,

HAROLD T. HOERTKORN & CO.



Harold T. Hoertkorn
Certified Public Accountant

GENERAL COMMENTS - BALANCE SHEET - EXHIBIT "A"

CASH - \$19,926,121: Comprises the aggregate of School Fund Balances on deposit with the Treasurer, Cash Transfers Outstanding, Revolving Funds, together with the Bond Interest and Redemption Funds, applicable to School Bonds issued by the City and County of San Francisco.

An analysis of the cash balances at June 30, 1966 is as follows:

Balances on Deposit with Treasurer:		
Current Fund (Exhibit "A")		\$10,923,906
Capital Funds: (Schedule "A-1")		
1948 School Bond Fund	\$ 41,314	
1956 School Bond Fund	316,980	
1964 School Bond Fund	1,930,053	
Real Property Fund	<u>98,423</u>	2,386,770
Special Funds: (Schedule "A-2")		
Child Care Centers	\$ 385,462	
School Cafeterias	596,996	
Special Reserves	4,590,711	
Balances in the Bond Interest and Redemption Funds of the City and County of San Francisco	<u>5,765</u>	5,578,934
Trust Funds: (Schedule "A-3")		
Withholding Tax	\$ 41,664	
Teachers' Annuity	42,409	
Teachers' Retirement	44,600	
Miranda Lux Foundation	26,125	
George and Ellen Booth Memorial	1,125	
Anna Steinberg Trust	123	
George Wilson Meyer Collection	6,383	
Veterans' Education	100	
Nell V. O'Connell	<u>11,302</u>	173,831
Cash Transfers Outstanding (Exhibit "A")		843,680
Revolving Funds: (Exhibit "A")		
School District	\$ 15,000	
Cafeteria	<u>4,000</u>	<u>19,000</u>
TOTAL CASH - June 30, 1966		<u><u>\$19,926.121</u></u>

Balances on deposit with the Treasurer are the balances of the various funds shown on the accounts of the Treasurer. Warrants drawn before July 1, 1966, but not presented to the treasurer for payment before July 1, 1966, are shown as liabilities of the various funds in Exhibit "A".

Cash transfers outstanding represent the aggregate of amounts in transfers between the various funds and were recorded as completed transactions on the school District ledger as of June 30, 1966, but the transfers were recorded in the accounts of the Treasurer after that date.

ACCOUNTS RECEIVABLE: \$3,931,201; represents amount due to the Current Fund and Special Funds of the School District at June 30, 1966, as follows:

Current Funds:

Delinquent Taxes and Penalties	\$1,740,311	
<u>Less:</u> Reserve for Unsecured		
Taxes	<u>931,481</u>	\$ 808,830

Other Accounts Receivable:

Tuition due from other		
Counties and Districts -		
Amount Due, but not billed		
at June 30, 1966	\$ 78,309	
Federal Subvention under		
Manpower Development and		
Training Act	950,708	
Federal subvention for aid		
to local education - estimated	275,000	
Federal Aid under National		
Defense Program	41,568	
Federal Aid for Veterans	10,423	
Miscellaneous	<u>2,588</u>	1,358,596

Special Reserve:

Federal Subventions Receivable		
Under Public Law 87-452	\$ 564,013	
Under Public Law 88-210	512,602	
Under Public Law 88-415	477,439	
Under Public Law 89-10	<u>122,981</u>	1,677,035

Child Care Center:

Delinquent taxes and penalties	\$ 15,725	
<u>Less:</u> Reserve for Unsecured		
Taxes	<u>6,216</u>	
	\$ 9,509	
Federal Grants	2,643	
Other	<u>3,092</u>	15,244

ACCOUNTS RECEIVABLE: (Continued)

Balance Brought Forward \$3,859,705

School Cafeterias:

Federal Grant	\$ 50,597	
Miscellaneous	<u>20,899</u>	<u>71,496</u>

TOTAL ACCOUNTS RECEIVABLE -
June 30, 1966 \$3,931,201

Secured Taxes and Penalties have been recorded as assets and have been credited to income when assessed. All other Accounts Receivable have been recorded as assets, but have been offset by deferred credits and will be taken into income when received.

INVENTORY - STORES - AT COST: \$785,931, comprises unissued supplies, furniture and equipment stored in various warehouses. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1965, January 31, 1966, February 28, 1966 and March 31, 1966. The general ledger accounts were nominally adjusted to agree with the physical inventories.

INVENTORY - SHOP - AT COST: \$41,043, comprises the following:

Refinished Furniture, not reissued	\$ 7,082
Shop orders in process of completion	2,986
Materials and Supplies	<u>30,975</u>

Total Inventory - Shop - June 30, 1966 \$41,043

INVENTORY - CAFETERIA: \$82,924, represents a physical inventory, at cost, of food and other supplies. Verification was made of the method of pricing, arithmetical extensions and inventory count procedures.

OTHER SUPPLIES AND PREPAID INSURANCE EXPENSE: \$31,551, comprises the following:

Miscellaneous prepayments of various expense	\$23,940
Prepaid Insurance	<u>7,611</u>

\$31,551

FIXED CAPITAL PROPERTIES: \$148,887,690, is the aggregate recorded valuation of land, buildings improvements and equipment as shown by the Controller's records as of June 30, 1966. Net additions during the fiscal year ended June 30, 1966, and the accumulated ledger values are summarized as follows:

	<u>Total</u>	<u>Land</u>	<u>Buildings & Improvements</u>	<u>Equipment</u>
<u>Additions Per School District</u>				
Real Property Fund	\$ 100,100	\$ -	\$ 99,655	\$ 445
1948 School Bond Fund	4,766	-	4,766	-
1956 School Bond Fund	925,970	-	929,237	(3,267)
1964 School Bond Fund	1,072,312	-	1,070,968	1,344
Special Reserve Fund	755,049	216,250	344,902	193,897
Trust Funds	3,853	-	-	3,853
Child Care Centers Fund	5,975	-	-	5,975
Current Fund	646,872	12,212	-	634,660
County Service Fund	<u>813</u>	<u>-</u>	<u>-</u>	<u>813</u>
Total Additions	\$ 3,515,710	\$ 228,462	\$ 2,449,528	\$ 837,720

Deductions:

Net reductions due to properties sold or otherwise disposed of	<u>287,013</u>	<u>209,166</u>	<u>-</u>	<u>77,847</u>
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Net additions per Controller's records for the Fiscal Year ended June 30, 1966	\$ 3,228,697	\$ 19,296	\$ 2,449,528	\$ 759,873
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Additions:

Accumulated ledger values at July 1, 1965	<u>145,658,993</u>	<u>14,863,516</u>	<u>115,333,750</u>	<u>15,461,727</u>
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TOTALS - JUNE 30, 1966 (Per Controller's Records - Exhibit "A-1")	<u>\$148,887,690</u>	<u>\$14,882,812</u>	<u>\$117,783,278</u>	<u>\$16,221,600</u>
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At June 30, 1966, Fire and General Insurance in force on the School District Properties was \$183,990,256.

BOND INTEREST PAYABLE AND ACCRUED: \$195,944 represents:

Matured coupons - not presented by Bondholders	\$ 3,765
Interest accrued - not due at June 30, 1966	<u>192,179</u>
Total	<u>\$195,944</u>

Interest on the School Bonds is not recorded on the ledger of the Unified School District because the School Bonds and Interest shown thereon are a general obligation of the City and County of San Francisco. This practice is consistent with prior years, where the bonds and interest are part of the Balance Sheet, Exhibit "A", as the obligations were incurred for acquisition of Fixed Properties of the School District. The Interest accrued of \$192,179, but not due as of June 30, 1966, is recorded as a deferred charge at June 30, 1966.

BONDED DEBT: \$24,572,000, is the aggregate of School Bonds outstanding at June 30, 1966, after considering the sales and redemption during the fiscal year ended June 30, 1966, as shown by the Controllers' records, as follows:

	Interest Rate	Balance July 1, 1965	Sold	Redeemed	Balance June 30, 1966
<u>AUTHORIZED & ISSUED</u>					
March 1, 1923	5.00%	\$ 601,000		\$ 299,000	\$ 302,000*
<u>AUTHORIZED IN 1948:</u>					
<u>Issued:</u>					
Apr. 1, 1951-B	1.75%	770,000		770,000	-
Mar. 1, 1952-C	1.50%	1,780,000		1,780,000	-
Dec. 1, 1952-D	1.75%	3,360,000		1,115,000	2,245,000
Aug. 1, 1953-E	2.50%	1,280,000		320,000	960,000
Mar. 1, 1954-F	1.50%	400,000		200,000	200,000
Mar. 1, 1954-F	1.75%	400,000		-	400,000
Apr. 1, 1955-G	1.75%	1,720,000		345,000	1,375,000
Apr. 1, 1957-H	2.50%	470,000		65,000	405,000
<u>AUTHORIZED IN 1956:</u>					
<u>Issued:</u>					
Nov. 1, 1957-A	3.00%	3,200,000		400,000	2,800,000
Dec. 1, 1958-B	2.75%	500,000		250,000	250,000
Dec. 1, 1958-B	3.00%	500,000		-	500,000
Dec. 1, 1958-B	3.00%	1,225,000		-	1,225,000
June 1, 1959-C	3.25%	540,000		60,000	480,000
Feb. 1, 1960-D	3.50%	930,000		-	930,000
Feb. 1, 1960-D	3.25%	2,195,000		315,000	1,880,000
Oct. 1, 1960-E	2.25%	335,000		335,000	-
Oct. 1, 1960-E	2.50%	1,005,000		-	1,005,000
Oct. 1, 1960-E	2.75%	670,000		-	670,000
Oct. 1, 1960-E	3.00%	1,650,000		-	1,650,000
July 1, 1961-F	2.50%	670,000		170,000	500,000
July 1, 1961-F	2.75%	330,000		-	330,000
July 1, 1961-F	3.00%	495,000		-	495,000
July 1, 1961-F	3.25%	495,000		-	495,000
Mar. 1, 1962-G	2.25%	420,000		140,000	280,000
Mar. 1, 1962-G	2.50%	280,000		-	280,000
Mar. 1, 1962-G	2.75%	700,000		-	700,000
Mar. 1, 1962-G	3.00%	280,000		-	280,000
Nov. 1, 1964-H	5.00%	280,000		140,000	140,000
Nov. 1, 1964-H	2.75%	140,000		-	140,000
Nov. 1, 1964-H	2.50%	280,000		-	280,000
Nov. 1, 1964-H	2.75%	700,000		-	700,000
Nov. 1, 1964-H	3.00%	675,000		-	675,000
<u>AUTHORIZED IN 1964:</u>					
<u>Issued:</u>					
Sep. 1, 1965-A	4.25%	-	\$ 260,000	-	260,000
Sep. 1, 1965-A	2.75%	-	660,000	-	660,000
Sep. 1, 1965-A	3.00%	-	<u>1,080,000</u>	-	<u>1,080,000</u>
		<u>\$29,276,000</u>	<u>\$2,000,000</u>	<u>\$6,704,000</u>	<u>\$24,572,000</u>

*Includes \$2,000 matured but unpaid as of June 30, 1966

REVENUES AND EXPENDITURES

A comparative Statement of Revenues and Expenditures of the Current Fund for the fiscal years ended June 30, 1966, and June 30, 1965, is presented in Exhibit "C" and Schedule "C-1". The following is a summary of the Comparative Statements:

	June 30, 1966	June 30, 1965	Increase (Decrease)
Property Taxes and Penalties*	\$46,875,927	\$42,959,856	\$3,916,071
State of California -			
School Fund Apportionment	15,578,457	15,383,560	194,897
Retirement Subvention	2,011,826	1,929,833	81,993
Other Revenues	<u>2,217,181</u>	<u>2,581,623</u>	<u>(364,442)</u>
Total Revenues - Schedule "C-1"	\$66,683,391	\$62,854,872	\$3,828,519
<u>Less:</u> Total Operating Expenses	<u>65,272,730</u>	<u>62,138,092</u>	<u>3,134,638</u>
Balance	\$ 1,410,661	\$ 716,780	\$ 693,881
<u>Less:</u> Net Capital Outlays from			
Current Funds (Per			
Exhibit "C")	<u>646,872</u>	<u>617,821</u>	<u>29,051</u>
Excess of Revenue Over			
Expenditures	\$ 763,789	\$ 98,959	\$ 664,830

*The School District Tax Rates for the General Fund and assessed valuations for the tax years 1964-65 and 1965-66 were as follows:

	<u>Tax Rate</u>	<u>Assessed Valuation</u>	
		<u>Secured Roll</u>	<u>Unsecured Roll</u>
1964-65	2.610678	\$1,326,453,920	\$314,609,954
1965-66	2.784494	1,368,390,260	320,121,225

The legal tax limitation of the School District was \$2.00 through 1957-58. In June 1958 by vote of the electorate the limit was raised to \$2.50. By Education Code Section 20751, as amended in 1964, the tax limitation was raised to \$2.55 for a School District maintaining classes from Kindergarten through Junior College if, said District's current expense of education per unit average daily attendance for 1963-64 was less than \$600.

Revenues from the State School Fund comprises apportionments based upon the average daily attendance, various excess expenses of the educating of handicapped children, mentally gifted minors and for automobile driver training. The revenue from the State relating to these matters for the fiscal year ended June 30, 1966 was as follows:

	<u>Totals</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Average Daily Attendance -				
See Notes 1 and 2	108,041	63,503	36,466	8,949
\$125.00 per Pupil	<u>\$13,614,933</u>	<u>\$6,196,009</u>	<u>\$6,266,616</u>	<u>\$1,152,308</u>
Apportionment for Excess				
Expense of educating				
<u>handicapped children</u>				
Physically Handicapped -				
Average daily attendance	687	512	175	
Extra Expense	\$ 626,950	\$ 467,326	\$ 159,624	
Mentally Retarded -				
Average Daily Attendance	1,421	870	551	
Extra Expense	\$ 532,875	\$ 326,163	\$ 206,712	
Severely Mentally Retarded -				
Average Daily Attendance	137	137	-	
Extra Expense	\$ 91,790	\$ 91,790	-	
Transportation Expense of				
certain Handicapped				
children -				
Average Daily Attendance	462	462	-	
Extra Expense	\$ 204,351	\$ 204,351	-	
Educationally Handicapped				
Average Daily Attendance	144	121	23	
Extra Expense	<u>\$ 131,285</u>	<u>\$ 110,316</u>	<u>\$ 20,969</u>	
Total for Handicapped				
Children	<u>\$ 1,587,251</u>	<u>\$ 1,199,946</u>	<u>\$ 387,305</u>	
Apportionment for Special				
Program for Mentally				
Gifted	<u>\$ 111,560</u>	<u>\$ 111,560</u>	<u>\$ -</u>	
Automobile Driver Training -				
Number of Pupils Trained	4,552	-	4,552	
Apportionment	<u>\$ 202,456</u>	<u>\$ -</u>	<u>\$ 202,456</u>	
	<u>\$15,516,200</u>	<u>\$7,507,515</u>	<u>\$6,856,377</u>	<u>\$1,152,308</u>
Special Studies and				
Miscellaneous Revenues	29,857			
Compensatory Education	<u>32,400</u>			
	<u>\$15,578,457</u>			

Explanatory Notes:

- 1) Attendance and apportionment data applicable to evening schools and the continuation school are included in high schools.
- 2) Average daily attendance for the previous year was the primary basis for apportionment in the current year. The average daily attendance listed is that of the year ended June 30, 1965 with the exception of adult education and City College which represents current attendance.

A comparison of the average daily attendance for the past three years follows:

	<u>1965-66</u>	<u>1964-65</u>	<u>1963-64</u>
Elementary Schools	62,608	63,503	64,911
High Schools	35,943	36,466	35,587
City College	<u>8,949</u>	<u>8,072</u>	<u>7,705</u>
	<u>107,500</u>	<u>108,041</u>	<u>108,203</u>

We have examined the reports submitted to the State Department of Education as a basis for the State Apportionment for the fiscal year 1965-66 and have tested the records in support thereof to state that in our opinion they fairly represented the average daily attendance during the fiscal year ended June 30, 1966. Attendance records at representative elementary, junior high school and high school, as well as, city college, were examined and audited.

The average daily attendance during the fiscal year ended June 30, 1966 will be the basis for apportionment for the fiscal year ending June 30, 1967 with the exception of City College which will be based on current attendance:

<u>Elementary Schools</u> , Grades K - 6	48,987
<u>Junior High Schools</u> , Grades 7 - 8	<u>13,621</u>
	<u>62,608</u>
<u>High Schools</u>	
Other than Defined Adults	32,629
Defined Adults	<u>3,314</u>
	<u>35,943</u>
<u>City College</u>	
Other than Defined Adults	8,491
Defined Adults	<u>458</u>
	<u>8,949</u>
Total Average Daily Attendance	<u>107,500</u>

AVERAGE DAILY ATTENDANCE FOR
SPECIAL APPORTIONMENT PURPOSES

	<u>Total</u>	<u>Elementary</u>	<u>High School</u>
<u>Handicapped Children</u>			
Physically Handicapped	687	508	179
Mentally Retarded	1,461	894	567
Severely Mentally Retarded	143	143	-
Requiring Special Transportation	450	450	-
Educationally Handicapped	295	261	34
<u>Automobile Driver Training</u>			
Number of Pupils Trained	4,784	-	4,784

COUNTY SCHOOL SERVICE FUND

The Revenue and Expenditures of the County School Service Fund for the year ended June 30, 1966 were as follows:

Revenue:

From State Apportionment	\$185,930	
From San Francisco Unified School District	<u>126,451</u>	
Total Revenue		<u>\$312,381</u>

Expenditures:

Office of County Superintendent of Schools	\$ 13,927	
Screening and Directing Teachers	1,860	
Audio-Visual Education	252,902	
Library Service	22,081	
Special Administrative Expenses	20,600	
Teachers' Institute	<u>1,011</u>	
Total Expenditures		<u>\$312,381</u>

CHILD CARE CENTERS

Twenty-five Child Care Centers were operated during the fiscal year ended June 30, 1966 with a total enrollment of 1,383 children at June 30, 1966. The average daily attendance during the fiscal year ended June 30, 1966 was 1,444. The total hours of child attendance for the years ended June 30, 1966 and June 30, 1965 follows:

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1966</u>	<u>June 30, 1965</u>	<u>(Decrease)</u>
Hours of Attendance:			
Nursery (under 5 years, 9 months)	1,228,753	1,224,544	4,209
School Age (over 5 years, 9 months)	<u>1,120,814</u>	<u>1,074,766</u>	<u>46,048</u>
Total Hours of Attendance	<u>2,349,567</u>	<u>2,299,310</u>	<u>50,257</u>

A comparative statement of Revenue and Expenditures of Child Care Centers for the fiscal years ended June 30, 1966 and June 30, 1965 follows:

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1966</u>	<u>June 30, 1965</u>	<u>(Decrease)</u>
<u>REVENUES:</u>			
State Apportionment	\$ 606,500	\$ 589,607	\$ 16,893
Fees from Parents	487,404	469,922	17,482
District Taxes	616,957	393,603	223,354
Transfers from General Fund	17,478	68,600	(51,122)
Federal Grants	12,902	11,478	1,424
Miscellaneous	<u>5,243</u>	<u>1,887</u>	<u>3,356</u>
Total Revenues	<u>\$1,746,484</u>	<u>\$1,535,097</u>	<u>\$211,387</u>
<u>EXPENDITURES:</u>			
Administration	\$ 89,247	\$ 90,194	\$ (947)
Instruction	967,922	926,475	41,447
Auxiliary Services	15,187	15,032	155
Operation	221,215	214,602	6,613
Maintenance	22,999	35,731	(12,732)
Fixed Charges	44,051	84,340	(40,289)
Food	206,718	193,398	13,320
Capital Outlay	<u>5,975</u>	<u>1,888</u>	<u>4,087</u>
Total Expenditures	<u>\$1,573,314</u>	<u>\$1,561,660</u>	<u>\$ 11,654</u>
Excess of Revenue over Expenditures	<u>\$ 173,170</u>	<u>\$ (26,563)</u>	<u>\$199,733</u>

CAFETERIAS

46 complete cafeterias units and 42 branch cafeteria units, which were serviced from the kitchens of complete units, were operated by the School District during the fiscal year ended June 30, 1966. A comparative statement of income and expenditures of the school cafeteria for the fiscal years ended June 30, 1966 and June 30, 1965 is as follows:

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1966</u>	<u>June 30, 1965</u>	<u>(Decrease)</u>
<u>Revenues:</u>			
Sales - Cafeterias	\$2,137,766	\$1,981,036	\$ 156,730
Sales - Mid-morning Lunches	131,950	136,859	(4,909)
Federal Grants	<u>296,211</u>	<u>311,191</u>	<u>(14,980)</u>
Total Revenues	<u>\$2,565,927</u>	<u>\$2,429,086</u>	<u>\$ 136,841</u>
<u>Expenditures:</u>			
Cost of Food	\$1,630,101	\$1,368,497	\$ 261,604
Salaries	804,458	726,006	78,452
Meals for Student Help	26,507	23,609	2,898
Supplies and Expenses	98,080	84,841	13,239
Provision for Sick Leave and Vacations	<u>163,297</u>	<u>181,964</u>	<u>(18,667)</u>
Total Expenditures	<u>\$2,722,443</u>	<u>\$2,384,917</u>	<u>\$ 337,526</u>
Excess of Revenues over Expenditures	<u>\$ (156,516)</u>	<u>\$ 44,169</u>	<u>\$ (200,685)</u>

ACADEMIC ATHLETIC ASSOCIATION

Receipts and Disbursements of this student body activity during the fiscal year ended June 30, 1966 were as follows:

Cash available - July 1, 1965 \$ 5,066

<u>Add:</u>	<u>Receipts:</u>		
	Admission Fees	\$41,910	
	Miscellaneous	<u>472</u>	<u>42,382</u>
			\$47,448

<u>Less:</u>	<u>Expenses in Connection with Activities:</u>		
	Football	\$19,272	
	Basket Ball	10,561	
	Swimming	1,175	
	Track	1,926	
	Baseball	3,008	
	Soccer	378	
	Tennis and Golf	62	
	Miscellaneous	<u>1,293</u>	<u>37,675</u>
			\$ 9,773

<u>Less:</u>	Distributions to Schools	<u>2,953</u>
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Balance - June 30, 1966 - In Trust \$ 6,820

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STUDENT BODY FUNDS

The student body funds and accounting records of the funds are maintained at the schools and are subject to internal audit at regular intervals by the School District Administrative Office. We reviewed the audit program and working papers of Audits made during the fiscal year and find them to be adequate.

TRUST FUNDS

As indicated in the Balance Sheet of the Trust Funds see Schedule "A-3" of June 30, 1966 the asset, liabilities and fund balances are disclosed.

FEDERAL PROGRAMS

As required by the Audit Division of the Department of Finance, State of California, the following Federal Programs were examined by us and found to be reasonably correct:

<u>Programs</u>	<u>Fiscal Year 1965-66</u>	
	<u>Revenues</u>	<u>Expenditures</u>
Elementary and Secondary Education Act Public Law 89-10, Title I	\$3,450,795	\$1,427,617
Vocational Education Act Public Law 88-210		259,203
Manpower Development and Training Act Public Law 85-415	426,818	1,012,741
Economic Opportunity Act Public Law 88-452, Title II-B	122,391	434,102
National Defense Education Act Public Law 85-864, Title III	41,568	41,568

As well as the above mentioned programs the following programs have been examined by us and are reasonably correct:

National School Lunch Program
Special Milk Program
National Defense Student Loan Program

Information on special projects within the various programs will be made available to Federal Auditors upon request.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BALANCE SHEET AS OF JUNE 30, 1966

A S S E T S

Cash:

On Deposit with Treasurer
Cash Transfers Outstanding
Revolving Funds

Total Cash

Accounts Receivable:

Delinquent Taxes and Penalties
Less: Reserve for Unsecured
Property Taxes

Other Accounts and Subventions (Contra)

Accounts Receivable - Net

Inter-Fund Accounts

Provision for Payment of Bonds

Inventories and Deferred Charges:

Stores - at Cost
Shop Inventory - at Cost
Cafeteria Inventory
Unexpired Insurance
Other Supplies and Expense
Bond Interest Accrued
Uncompleted Contracts and Purchase
Orders (Contra)

Total Inventories and
Deferred Charges

Other Assets

Unsold Bonds

Fixed Capital Properties (See Note 1)

TOTAL ASSETS

	Total	Current Fund	Capital* Funds	Special** Funds	Trust*** Funds
	\$ 19,063,441	\$10,923,906	\$ 2,386,770	\$5,578,934	\$ 173,831
	843,680				843,680
	<u>19,000</u>	<u>15,000</u>		<u>4,000</u>	
<u>Total Cash</u>	\$ 19,926,121	\$10,938,906	\$ 2,386,770	\$5,582,934	\$1,017,511
	\$ 1,756,036	\$ 1,740,311		\$ 15,725	
	<u>937,697</u>	<u>931,481</u>		<u>6,216</u>	
	\$ 818,339	\$ 808,830		\$ 9,509	
	<u>3,112,862</u>	<u>1,358,596</u>		<u>1,734,266</u>	
<u>Other Accounts and Subventions (Contra)</u>	\$ 3,931,201	\$ 2,167,426		\$1,763,775	
	\$ 439,646	\$ 400,024		\$ 39,622	
<u>Inter-Fund Accounts</u>					
	\$ 24,570,000		\$ 24,570,000		
	\$ 785,931	\$ 785,931			
	41,043	41,043			
	82,924			\$ 82,924	
	7,611	7,611			
	23,940	23,940			
	<u>192,179</u>			<u>192,179</u>	
<u>Uncompleted Contracts and Purchase Orders (Contra)</u>	629,885	<u>618,347</u>		<u>11,538</u>	
<u>Total Inventories and Deferred Charges</u>	\$ 1,763,513	\$ 1,476,872		\$ 286,641	
<u>Other Assets</u>	\$ 65,492				\$ 65,492
<u>Unsold Bonds</u>	\$ 29,465,000		\$ 29,465,000		
	<u>\$148,887,690</u>		<u>\$148,887,690</u>		
<u>Fixed Capital Properties (See Note 1)</u>	\$229,048,663	\$14,983,228	\$205,309,460	\$7,672,972	\$1,083,003
<u>TOTAL ASSETS</u>					

LIABILITIES- RESERVES AND UNAPPROPRIATED BALANCES

<u>Bond Interest Payable and Accrued</u> (See Note 1)	<u>Total</u>	<u>Current Fund</u>	<u>Capital* Funds</u>	<u>Special** Funds</u>	<u>Trust*** Funds</u>
	\$ 195,944			\$ 195,944	
<u>Accounts Payable and Commitments:</u>					
Warrants and Payroll Deductions	\$ 5,510,920	\$ 5,127,923	\$ 3,235	\$ 297,362	\$ 82,400
Outstanding					
Accounts Payable - Materials and Services	7,383,472	1,950,938	3,412,406	1,165,990	854,138
Uncompleted Contracts and Purchase Orders (Contra)	629,885	618,347		11,538	
Total Accounts Payable and Commitments	\$ 13,524,277	\$ 7,697,208	\$ 3,415,641	\$ 1,474,890	\$ 936,538
<u>Inter-Agency Accounts:</u>					
Department of Public Works	\$ 830,264	\$ 471,145	\$ 221,566	\$ 137,553	\$ -
Other Agencies	1,780,306	666,035	1,004,900	68,982	40,389
Total Inter-Agency Accounts	\$ 2,610,570	\$ 1,137,180	\$ 1,226,466	\$ 206,535	\$ 40,389
<u>Inter-Fund Accounts</u>					
Bonded Debt (See Note 1)	\$ 433,687	\$ 11,000		\$ 422,687	
Total	\$ 24,572,000		\$ 24,570,000	\$ 2,000	
<u>Reserves:</u>					
Tuition due from Other Counties	\$ 78,309	\$ 78,309		\$ -	
Prepaid Expenses	31,551	31,551		-	
Revolving Fund	19,000	15,000		4,000	
Inventories	909,898	826,974		82,924	
Accounts Receivable	246,534	246,534		-	
Miscellaneous	10,000	-		10,000	
Total Reserves	\$ 1,295,292	\$ 1,198,368		\$ 96,924	
<u>Deferred Credits</u>	\$ 2,430,921	\$ 188,279		\$ 2,242,642	
<u>Investment in Fixed Assets</u>	\$ 148,887,690		\$ 148,887,690		
<u>Unencumbered Appropriation</u>	\$ 28,235,190	\$ 132,757	\$ 27,126,096	\$ 976,337	
<u>Unappropriated Balances</u>	\$ 6,863,092	\$ 4,618,436	\$ 83,567	\$ 2,055,013	\$ 106,076
TOTAL	\$ 229,048,663	\$ 14,983,228	\$ 205,309,460	\$ 7,672,972	\$ 1,083,003

* Details of the Various Funds are shown on Schedule "A-1"

** Details of the Various Funds are shown on Schedule "A-2"

*** Details of the Various Funds are shown on Schedule "A-3"

SAN FRANCISCO UNIFIED SCHOOL DISTRICTBALANCE SHEET OF CAPITAL FUNDS

AS OF JUNE 30, 1966

	Total	1948 School Bond Funds	1956 School Bond Funds	1964 School Bond Funds	Real Property Fund	Fixed Assets	Bonded Debt
<u>Assets:</u>							
Cash on Deposit with Treasurer	\$ 2,386,770	\$41,314	\$316,980	\$ 1,930,053	\$98,423		
Provision for Payment of Bonds	24,570,000						\$24,570,000
Unsold Bonds	29,465,000			29,465,000			
Fixed Capital Properties	<u>148,887,690</u>					<u>\$148,887,690</u>	
TOTAL	<u>\$205,309,460</u>	<u>\$41,314</u>	<u>\$316,980</u>	<u>\$31,395,053</u>	<u>\$98,423</u>	<u>\$148,887,690</u>	<u>\$24,570,000</u>
<u>Liabilities, Reserves and</u>							
<u>Unappropriated Balances:</u>							
Accounts Payable and Commitments:							
Warrants Outstanding	\$ 3,235		\$ 40	\$ 3,195			
Accounts Payable - Materials and Service	<u>3,412,406</u>		<u>207,605</u>	<u>3,204,801</u>			
Total Accounts Payable and Commitments	<u>\$ 3,415,641</u>		<u>\$207,645</u>	<u>\$ 3,207,996</u>			
<u>Inter-Agency Accounts:</u>							
Department of Public Works	\$ 221,566		\$ 57,846	\$ 155,170	\$ 8,550		
Other Agencies	<u>1,004,900</u>		<u>100</u>	<u>1,004,800</u>			
Total Inter-Agency Accounts	<u>\$ 1,226,466</u>		<u>\$ 57,946</u>	<u>\$ 1,159,970</u>	<u>\$ 8,550</u>		
Bonded Debt	<u>\$ 24,570,000</u>						<u>\$24,570,000</u>
<u>Investment in Fixed Assets</u>	<u>148,887,690</u>					<u>\$148,887,690</u>	
<u>Unencumbered Appropriation</u>	<u>27,126,096</u>		<u>\$ 48,354</u>	<u>\$27,027,087</u>	<u>\$50,655</u>		
<u>Unappropriated Balance</u>	<u>83,567</u>	<u>\$41,314</u>	<u>3,035</u>		<u>39,218</u>		
TOTAL	<u>\$205,309,460</u>	<u>\$41,314</u>	<u>\$316,980</u>	<u>\$31,395,053</u>	<u>\$98,423</u>	<u>\$148,887,690</u>	<u>\$24,570,000</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BALANCE SHEET OF SPECIAL FUNDS

AS OF JUNE 30, 1966

A S S E T S	Totals	Special Reserves	Child Care Centers	School Cafeterias	Bond Interest - and Redemption - Note 1		
					1923	1948	1956 1964
Cash:							
On Deposit with Treasurer	\$5,578,934	\$4,590,711	\$385,462	\$596,996	\$2,425	\$ 193	\$ 3,147
Revolving Funds	4,000			4,000			
Total Cash	\$5,582,934	\$4,590,711	\$385,462	\$600,996	\$2,425	\$ 193	\$ 3,147
Accounts Receivable:							
Delinquent Taxes and Penalties	\$ 15,725		\$ 15,725				
Less: Reserve for Unsecured							
Property Tax	6,216		6,216				
Other Accounts and Subvention	\$ 9,509	\$1,677,035	\$ 9,509	\$ 71,496			
	1,754,266		5,735				
Accounts Receivable - Net	\$1,763,775	\$1,677,035	\$ 15,244	\$ 71,496			
Inter-Fund Accounts	\$ 39,622		\$ 39,622				
Deferred Charges:							
Cafeteria Inventory	\$ 82,924			\$ 82,924	\$5,000	\$25,154	\$141,492 \$20,533
Bond Interest Accrued	192,179						
Uncompleted Contracts and							
Purchase Orders (Contra)	11,538		\$ 11,538				
Total Deferred Charges	\$ 286,641		\$ 11,538	\$ 82,924	\$5,000	\$25,154	\$141,492 \$20,533
TOTAL ASSETS	\$7,672,972	\$6,267,746	\$431,866	\$755,416	\$7,425	\$25,347	\$144,639 \$20,533

<u>LIABILITIES- RESERVES AND UNAPPORTIONED BALANCES</u>	<u>Totals</u>	<u>Special Reserves</u>	<u>Child Care Centers</u>	<u>School Cafeterias</u>	<u>Bond Interest - and Redemption - Note 1</u>		
					<u>1923</u>	<u>1948</u>	<u>1956</u>
<u>Bond Interest Payable and Accrued</u>	\$ 195,944				\$5,425	\$25,347	\$20,533
<u>Accounts Payable and Commitments:</u>							
Warrants and Payroll Deductions Outstanding	\$ 297,362	\$ 98,348	\$ 99,943	\$ 99,071			
Accounts Payable - Materials and Services	1,165,990	1,125,149	40,828	13			
Uncompleted Contracts and Purchase Orders (Contra)	11,538	-	11,538				
Total Accounts Payable and Commitments	\$1,474,890	\$1,223,497	\$152,309	\$ 99,084			
<u>Inter-Agency Accounts:</u>							
Department of Public Works Other Agencies	\$ 137,553	\$ 134,803	\$ 2,750				
	68,982	56,670	12,312				
Total Inter-Agency Accounts	\$ 206,535	\$ 191,473	\$ 15,062				
<u>Inter-Fund Payables</u>	\$ 422,687	\$ 256,508	\$ 3,908	\$162,271			
<u>Bonded Debt</u>	\$ 2,000				\$2,000		
<u>Reserves:</u>							
Inventory	\$ 82,924			\$ 82,924			
Revolving Funds	4,000			4,000			
Adjustment	10,000		\$ 5,000	5,000			
Total Reserves	\$ 96,924		\$ 5,000	\$ 91,924			
<u>Deferred Credits</u>	\$2,242,642	\$2,242,642					
<u>Unencumbered Appropriation</u>	\$ 976,337	\$ 970,937	\$ 5,400				
<u>Unappropriated Balance</u>	\$2,055,013	\$1,382,689	\$270,187	\$402,137			
<u>TOTAL</u>	\$7,672,972	\$6,267,746	\$451,866	\$755,416	\$7,425	\$25,347	\$20,533

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BALANCE SHEET OF THE TRUST FUNDS

AS OF JUNE 30, 1966

F U N D	Cash with Treasurer	Other Cash Items In Transit	Other Assets	Total Assets	Warrants Payable	Accounts Payable	Due Other Agencies' Payable	Total Liabilities	Unexpended Balance
Withholding Tax	\$ 41,664	\$802,272		\$ 843,936	\$40,389	\$763,158	\$40,389	\$843,936	
Teachers' Annuity	42,409	19,190		61,599	19,694	41,905		61,599	
Teachers' Retirement	44,600	22,218		66,818	22,317	44,501		66,818	
Miranda Lux Foundation	26,125			26,125		2,350		2,350	\$ 23,775
George and Ellen Booth Memorial	1,125			1,125					1,125
Anna Steinberg Trust	123			123					123
Veterans' Education	100			100					100
Nell V. O'Connell	11,302		\$65,492 (1)	76,794		2,224		2,224	74,570
George Wilson Meyer Collection	6,383			6,383					6,383
TOTALS	\$173,831	\$843,680	\$65,492	\$1,083,003	\$82,400	\$854,138	\$40,389	\$976,927	\$106,076

(1) Consists of Assets held in Trust by the
Groczer-Citizens National Bank

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF UNAPPROPRIATED BALANCE - CURRENT FUND
For the Fiscal Year ended June 30, 1966

Balance - July 1, 1965 \$3,642,936

Add:

Excess of Reserves over			
Expenditures	\$	763,789	
Adjustment of Reserves		126,700	
Transfer of Deferred Credits		1,069,270	
Miscellaneous		<u>6,448</u>	<u>1,966,207</u>
			\$5,609,143

Less:

Transfer to Special Reserve	\$	221,845	
Prior Years Adjustments		166,899	
Increase in Encumbrances		469,206	
Unencumbered Appropriation		<u>132,757</u>	<u>990,707</u>

Balance - June 30, 1966 \$4,618,436

SAN FRANCISCO UNIFIED SCHOOL DISTRICTCURRENT FUND

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
For the Fiscal Years ended June 30, 1966 and June 30, 1965

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1966</u>	<u>June 30, 1965</u>	<u>(Decrease)</u>
Revenues - Per Schedule "C-1"	\$66,683,391	\$62,854,872	\$3,828,519
<u>Less: Operating Expenditures:</u>			
Administration	\$ 1,556,443	\$ 1,361,285	\$ 195,158
Instruction - Classroom	42,139,912	36,646,932	5,492,980
- Other	8,454,054	11,456,299	(3,002,245)
Auxiliary Service	73,017	65,079	7,938
Operations	5,290,269	5,071,619	218,650
Maintenance	2,247,388	2,074,925	172,463
Fixed Charges	3,409,943	4,066,219	(656,276)
Transportation of Pupils	421,443	430,646	(9,203)
Food Service	395,191	157,488	237,703
Community Service	1,198,358	727,068	471,290
Transfer of Tuition, Retirement, Etc.	<u>86,712</u>	<u>80,532</u>	<u>6,180</u>
Total Operating Expenditures	\$65,272,730	\$62,138,092	\$3,134,638
Balance	\$ 1,410,661	\$ 716,780	\$ 693,881
Net Capital Outlay from Current Funds	<u>646,872</u>	<u>617,821</u>	<u>29,051</u>
Excess of Revenue over Expenditures	<u>\$ 763,789</u>	<u>\$ 98,959</u>	<u>\$ 664,830</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICTCOMPARATIVE STATEMENT OF CURRENT FUND REVENUES
For the Fiscal Years ended June 30, 1966 and June 30 1965

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1966</u>	<u>June 30, 1965</u>	<u>(Decrease)</u>
<u>Property Taxes and Penalties</u>	\$46,875,927	\$42,959,856	\$3,916,071
<u>Apportionments from State of California:</u>			
Elementary Schools	\$ 7,507,515	\$ 9,332,525	\$(1,825,010)
High Schools and City College	8,008,685	6,018,635	1,990,050
Special Programs	62,257	-	62,257
Retirement Subventions	<u>2,011,826</u>	<u>1,929,833</u>	<u>81,993</u>
Total Apportionments	\$17,590,283	\$17,280,993	\$ 309,290
<u>Other Revenue:</u>			
San Francisco Housing Authority - in lieu of Taxes	\$ 52,191	\$ 90,486	\$ (38,295)
Federal and State vocational education subvention	137,526	354,380	(216,854)
Reimbursement for veterans' education and counseling	41,814	39,316	2,498
Tuition from other Counties and Districts	175,288	192,751	(17,463)
Rentals	366,957	351,378	15,579
Public Law 874 and other Federal Aid	1,353,015	1,471,301	(118,286)
Miscellaneous	<u>90,390</u>	<u>114,411</u>	<u>(24,021)</u>
Total Other Revenue	\$ 2,217,181	\$ 2,614,023	\$ (396,842)
TOTAL	<u>\$66,683,391</u>	<u>\$62,854,872</u>	<u>\$3,828,519</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENT - JUNE 30, 1966

1. Fixed capital properties, bonded debt and bond interest, payable and accrued, are not recorded in the ledger of the San Francisco Unified School District, but have been added in this report.

Bonded Debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the San Francisco Unified School District. They are shown in the Balance Sheet "Exhibit "A", as the proceeds of the bonds were used to acquire School District Properties.

The amounts shown for fixed capital properties do not represent the value of properties and equipment presently owned by the San Francisco Unified School District, as the amounts shown include certain properties at cost and certain properties at appraised value when acquired.

2. At June 30, 1966 the contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of \$100,000.00.

3. Revenue, other than from secured taxes, is recorded only when monies are received by, or for the credit of, the School District. This practice is consistent with that of the preceding fiscal years.

Treasurer's Office



REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1966

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

November 23, 1966

Mr. Nathan B. Cooper
Controller
City and County of San Francisco

TREASURER: Examination of Accounts, Fiscal Year
Ended June 30, 1966

Dear Sir:

Treasurer's Office

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records. A REPORT ON EXAMINATION OF

Mr. Ralph A. Sheehan, Grand Jury Statistician, participated in this examination. REPORT FOR THE FISCAL YEAR ENDED

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report with schedules attached presents fairly the financial condition of the Treasurer at June 30, 1966, and the results of its operation for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION

Martin W. Judnick
Martin W. Judnick
Chief Accountant

REPORT APPROVED:

NB Cooper
NATHAN B. COOPER
CONTROLLER

REPORT ON EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1966 amounted to \$730,710,172.52 compared with June 30, 1965 total of \$699,827,633.46.

<u>Cash and Securities</u>	<u>June 30, 1966</u>	<u>June 30, 1965</u>
Cash and cash items	\$159,949,761.95	\$151,603,638.55
Securities (Par Value)	<u>570,760,410.57</u>	<u>548,223,994.91</u>
Total (Exhibit "A")	<u>\$730,710,172.52</u>	<u>\$699,827,633.46</u>
<u>CASH AND CASH ITEMS \$159,949,761.95</u>		

Cash and Cash items (Exhibit "A"),
are summarized as follows:

<u>Cash and Cash Items</u>	<u>June 30, 1966</u>	<u>June 30, 1965</u>
Cash and cash items on hand	\$ 1,147,927.04	\$ 2,325,749.54
Cash in banks	156,632,715.15	147,470,681.67
United States Bonds (Par Value)	<u>60,150.00</u>	<u>75,100.00</u>
Total	\$157,840,792.19	\$149,871,531.21
Cash items received after June 30, 1966, and applied to the fiscal year 1965-1966	<u>2,108,969.76</u>	<u>1,732,107.34</u>
Total	<u>\$159,949,761.95</u>	<u>\$151,603,638.55</u>

The above \$159,949,761.95 was reconciled with the Controller's available cash of \$130,419,304.62, the difference of \$29,530,457.33 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

<u>Outstanding Items</u>	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants Outstanding	\$25,147,581.35	\$ 4,196,934.73	\$ 29,344,516.08
Matured and unpaid bonds	89,000.00	53,200.00	142,200.00
Matured and unpaid coupons	<u>13,347.50</u>	<u>30,393.75</u>	<u>43,741.25</u>
Total	<u>\$25,249,928.85</u>	<u>\$ 4,280,528.48</u>	<u>\$ 29,530,457.33</u>

Cash and Cash Items on Hand

The sum of \$1,147,927.04 consists of:

<u>Item</u>	<u>Amount</u>	<u>Comment</u>
Coin and Currency	\$ 671,494.01	Verified by count.
Checks on hand for deposit	476,342.77	All current: deposited in bank July 1, 1966.
Due from Clearing House	<u>90.26</u>	Adjusted on next day's clearing.
Total	<u>\$ 1,147,927.04</u>	

Cash in Banks \$156,632,715.15

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

	<u>Amount on Deposit</u>			
	<u>Inactive</u>	<u>Active</u>	<u>Total</u>	<u>Percent</u>
Bank of America	\$ 23,978,594.00	\$ 6,774,229.04	\$ 30,752,823.04	19.63%
Bank of California	8,500,000.00	755,661.15	9,255,661.15	5.91
Bank of Canton	1,175,000.00	500,000.00	1,675,000.00	1.07
Bank of Montreal	3,200,000.00	150,000.00	3,350,000.00	2.14
Bank of Tokyo	2,575,000.00	600,000.00	3,175,000.00	2.03
Canadian Bank of Commerce	1,150,000.00	650,000.00	1,800,000.00	1.15
Chartered Bank of London	500,000.00	250,000.00	750,000.00	.48
Commonwealth Nat'l. Bank of S.F.	650,000.00	250,000.00	900,000.00	.57
Crocker-Citizens Nat'l. Bank	33,228,961.07	1,152,568.72	34,381,529.79	21.95
First San Francisco Bank	2,230,000.00	250,000.00	2,480,000.00	1.58
First Western Bank	6,000,000.00	550,000.00	6,550,000.00	4.18
Golden Gate National Bank	2,000,000.00	176,643.39	2,176,643.39	1.39
Hibernia Bank	1,750,000.00	500,000.00	2,250,000.00	1.44
Hongkong & Shanghai Bank	4,333,681.73	500,000.00	4,833,681.73	3.09
Pacific National Bank	12,400,000.00	824,451.62	13,224,451.62	8.44
Sumitomo Bank	2,850,000.00	500,000.00	3,350,000.00	2.14
United California Bank	9,000,000.00	598,023.03	9,598,023.03	6.13
Wells Fargo Bank	24,450,000.00	1,679,901.40	26,129,901.40	16.68
Total	<u>\$139,971,236.80</u>	<u>\$16,661,478.35</u>	<u>\$156,632,715.15</u>	<u>100.00%</u>
Percent of Total	89.36%	10.64%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

Supervisors' Resolution No. 3469, adopted August 17, 1937, authorized the Treasurer to enter into the necessary agreement with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

The amounts on deposit in banks June 30, 1966, (Exhibit "A-1") are within the limitations specified in Government Code Section 53638:

"The deposit shall not exceed the total of the paid-up capital and surplus of any depository."

Interest totaling \$5,789,853.08 was earned on inactive deposit balances during the fiscal year.

United States Bonds (Par Value) \$60,150.00

United States Bonds representing Superior and Municipal Court bail deposits, include \$12,250.00 for which court orders for release or forfeitures were issued.

Cash Items Received After June 30, 1966 \$2,108,969.76

This item represents 1965-1966 collections which were deposited with the Treasurer in July 1966.

<u>Date Deposited</u>	<u>Amount</u>
July 1, 1966	\$ 1,408,946.15
July 5, 1966	9,227.20
July 6, 1966	<u>690,796.41</u>
Total	<u>\$ 2,108,969.76</u>

SECURITIES (PAR VALUE) \$570,760,410.57

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

<u>Securities Charged to the Treasurer</u>	<u>Par Value</u>
<u>Bonds</u>	
Employees' Retirement Fund	\$354,651,310.07
Bequest Funds	186,000.00
Trust Funds	15,000.00
Deposit on Leases	134,000.00
Miscellaneous Deposits	<u>1,425.00</u>
Total	<u>\$354,987,735.07</u>
<u>Miscellaneous</u>	
Corporate Stock (Bequest Funds)	\$ 2,475.50
Deposits	<u>29,200.00</u>
Total	<u>\$ 31,675.50</u>
<u>Securities Not Charged to the Treasurer</u>	
Collateral Securities	<u>\$215,741,000.00</u>
Total June 30, 1966	<u>\$570,760,410.57</u>

The book value of the bonds of the Employees' Retirement Fund will be verified and reported by the firm of Farquhar and Heimbucher, Certified Public Accountants, in connection with the audit of the Retirement System. The book value of the other securities charged to the Treasurer will be verified and reported by the firm of Main, Lafrentz & Company, Certified Public Accountants, in connection with the audit of the office of the Controller. The market value of the collateral securities is reported at \$206,405,497.00 by the several depositories.

Bonds (Par Value) Employees' Retirement Fund \$354,651,310.07

Verification and physical count of bonds was made in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to Controller's instructions, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1965-1966 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1965	\$336,511,971.66
Purchased	<u>25,880,000.00</u>
Total	\$362,391,971.66
Sold, called or matured	<u>7,740,661.59</u>
Balance, June 30, 1966	<u><u>\$354,651,310.07</u></u>

Bonds (Par Value) Bequest and Trust Funds \$201,000.00 (Exhibit "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

Bonds (Par Value) Deposit on Leases \$134,000.00 (Exhibit "A-2")

These bonds represent security on various leases of City and County property.

Bonds (Par Value) Miscellaneous \$1,425.00 (Exhibit "A-2")

The above represent deposits by various City and County departments for safekeeping.

Other-Corporate Stock \$2,475.50 (Exhibit "A-2")

Represent par value of stocks belonging to bequest funds.

Other Certificates \$29,200.00 (Exhibit "A-2")

Represent Certificates of Deposit and Investment Certificates deposited with the Treasurer as security on various leases.

Collateral Securities (Par Value Bonds) \$215,741,000.00 (Exhibit "A-1")

The Securities consist of Federal, State, or other Government Bonds of a type required by Government Code Section 53651 and were approved by the Treasurer and City Attorney in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

"The market value of securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities."

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1966, were less than face value of Collateral deposited; the market value of said collateral exceeded the amount of deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS - UNSOLD (UNISSUED) \$169,378,000.00

Unsold (Unissued) City and County Bonds at June 30, 1966, represent the remainder of issues authorized by the electorate, as follows:

	Total Authorized	Prior to 1965-1966	Sold During 1965-1966	Unsold June 30, 1966
<u>Authorized June 8, 1954</u>				
1954 Sewer	\$ 12,645,000	\$ 12,290,000	\$	\$ 355,000
<u>Authorized Nov. 8, 1955</u>				
1955 Playground and Recreation Center	7,000,000	6,595,000		405,000
<u>Authorized June 5, 1956</u>				
1956 Hall of Justice	19,475,000	18,400,000	315,000	760,000
<u>Authorized Nov. 3, 1959</u>				
1959 Civic Center Aud. Improvement	7,575,000	7,350,000	225,000	-0-
<u>Authorized Nov. 8, 1960</u>				
1960 Sewer	12,500,000	9,900,000	350,000	2,250,000
<u>Authorized Nov. 7, 1961</u>				
1961 Municipal Water System	115,000,000	31,540,000	7,000,000	76,460,000
<u>Authorized June 2, 1964</u>				
1964 Street Lighting	7,000,000		400,000	6,600,000
1964 Sewerage and Sewage Disposal	15,623,000		1,300,000	14,323,000
<u>Authorized Nov. 3, 1964</u>				
1964 Fire Department	4,890,000		1,100,000	3,790,000
1964 Log Cabin Ranch	1,300,000			1,300,000
1964 School	31,465,000		2,000,000	29,465,000
<u>Authorized Nov. 2, 1965</u>				
1965 Medical Center Bonds	<u>33,670,000</u>			<u>33,670,000</u>
Total	<u>\$268,143,000</u>	<u>\$ 86,075,000</u>	<u>\$12,690,000</u>	<u>\$169,378,000</u>

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds when a sale has been made by the Board of Supervisors.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purposes of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensations earned during the year ended June 30, 1966, follows:

	Par Value <u>Paid and Cancelled</u>	<u>Compensation</u>	
		<u>Authorized Rate</u>	<u>Earned 1965-66</u>
Bonds	\$ 11,780,000.00	1/20th of 1%	\$ 5,890.00
Coupons (230,726)	<u>3,283,585.00</u>	\$ 0.04 each	<u>9,229.04</u>
Total	<u>\$ 15,063,585.00</u>		<u>\$15,119.04 (1)</u>

(1) Includes \$4,904.12 for last quarter of 1965-66, which was paid in August 1966.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by Board of Supervisors' Resolutions No. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the fiscal year for the City and County employees was \$854,568.75, as compared with \$813,768.75, for the prior fiscal year.

REVENUE AND EXPENDITURES (EXHIBIT "B")

Revenues exceeded expenditures and encumbrances by \$5,634,145.58. A comparison with the previous fiscal year follows:

<u>Revenues</u>	<u>1965-1966</u>	<u>1964-1965</u>
Interest earned on inactive bank deposits	\$ 5,789,853.08	\$ 5,035,990.37
Commissions received on Inheritance Tax		
Collections	50,000.00	50,000.00
Other Fees	<u>731.00</u>	<u>657.50</u>
Total	\$ 5,840,584.08	\$ 5,086,647.87
<u>Expenditures</u>		
Per Controller's Records	<u>206,438.50</u>	<u>193,711.06</u>
Total	<u>\$ 5,634,145.58</u>	<u>\$ 4,887,936.81</u>

A five year comparative statement of revenues, expenditures, and encumbrances is reflected on Exhibit "B".

Interest on Inactive Bank Deposits \$5,789,853.08

In accordance with Government Code Sections 53645 and 53649, interest is computed at rates specified in depository agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1965-1966 <u>Budget Estimate</u>	<u>Interest Earned</u>	
		<u>1965-1966</u>	<u>1964-1965</u>
General, Special Gas Tax and Special Road Improvement Funds	\$4,275,000.00	\$5,294,962.91	\$4,579,566.42
Municipal Railway	<u>60,000.00</u>	<u>113,107.00</u>	<u>63,855.00</u>
Total	\$4,335,000.00	\$5,408,069.91	\$4,643,421.42
Civic Center Plaza Garage		55,306.17	33,405.76
Water Operating	100,000.00	130,158.40	114,471.77
Health Service System		52,006.54	36,924.15
Anna E. Waden		6,528.05	4,419.77
Alfred Fuhrman Bequest-Park		8,789.74	8,182.16
" " " -Library		8,789.74	8,182.16
Palace of Fine Arts		112,764.05	94,565.67
Palace of Fine Arts-Walter E. Johnson Gift			87,330.14
Martin Heller Bequest		3,377.47	2,479.44
Redevelopment Agency		2,738.39	2,045.54
State - County Fair		<u>1,324.62</u>	<u>562.39</u>
Total	\$4,435,000.00	\$5,789,853.08	\$5,035,990.37

The \$113,107.00 credited to the Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$5,408,069.91 on the basis of the Treasurer's daily balances in that fund.

The credits to the various other funds were earned on inactive bank balances.

Commissions on Inheritance Tax Collections \$50,000.00

Inheritance Tax Commissions and Settlements with the State for the twelve months ending May 31, 1966, are summarized as follows:

Inheritance Tax Collections		\$16,240,582.85
Less: Disbursements:		
Appraisers' Fees	\$ 6,707.56	
Payments to State	<u>16,183,875.29</u>	<u>16,190,582.85</u>
Commissions Earned, Fiscal Year 1965-1966		<u>\$ 50,000.00</u>

Accounts maintained for Inheritance Tax purposes are recorded on State Controller pre-numbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, as amended by Statutes of 1963, the maximum commissions a Treasurer of a county of the fourth class may retain is \$50,000.00 for a calendar year.

Other Fees \$731.00

Consists of a fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "listing contents of a Safe Deposit Box" collected in accordance with Sections 14144 and 14346 of the Revenue and Taxation Code.

Expenditures \$206,438.50

Expenditures compared with budget appropriations for 1965-1966 are as follows:

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures</u>
Permanent Salaries	\$ 178,320.24	\$ 178,266.56
Allowance for Overtime	170.00	39.35
Temporary Salaries	2,605.00	2,495.05
Contractual Services	19,087.40	16,227.84
Use of Employees' Cars	600.00	495.00
Materials and Supplies	2,096.00	2,095.36
Equipment	278.00	274.23
<u>By Purchaser</u>		
Reproduction Bureau	1,300.00	1,240.07
Maintenance and Repair of Office Equipment	650.00	392.58
Telephone and Telegraph	350.00	230.86
Rental of Office Machines and Equipment	4,681.60	4,681.60
Total	<u>\$ 210,138.24</u>	<u>\$ 206,438.50</u>

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

CASH DIFFERENCE FUND

Ordinance No. 68-58, approved February 14, 1958 created a Cash Difference Fund and an Overage Fund in connection with certain offices and departments of the City and County and prescribed the method for the administration of the funds.

The operations of the two funds are summarized as follows:

	<u>Fund</u>	
	<u>Overage</u>	<u>Difference</u>
Balance, July 1, 1965	\$ - 0 -	\$ 373.41
Plus: Appropriation April 26, 1966		500.00
Overages	- 0 -	
Less: Deposit with General Fund	- 0 -	
Disbursements		<u>375.06</u>
Balance, June 30, 1966	<u>\$ - 0 -</u>	<u>\$ 498.35</u>

The balance in the Cash Difference Fund was verified by actual count.

SURETY BOND - TREASURER

In accordance with Charter Section 31, John J. Goodwin, Treasurer of the City and County of San Francisco, is bonded for \$200,000 by St. Paul Fire and Marine Insurance Company's Bond No. 404-BC-6914P, in favor of the City and County of San Francisco and/or State of California, for a period of one year commencing January 8, 1966. The bond is in the custody of the Controller as provided by Charter Section No. 67.

SURETY BOND OF EMPLOYEES

Pursuant to Ordinance No. 8075, August 5, 1953, as amended by Ordinance No. 94-61, April 26, 1961, Blanket Bond No. 404-BS-3700P, St. Paul Fire and Marine Insurance Company, expiring June 1, 1967, covers all employees of the City and County of San Francisco under Section 1 of Ordinance No. 94-61 for faithful performance and under Section 7 of Ordinance No. 8075 up to \$50,000.00 for any one employee or the sum of \$50,000.00 as to any one loss.

FORGERY INSURANCE

Forgery Insurance up to \$100,000 (\$200 aggregate deductible) is provided by the New Hampshire Fire Insurance Company, Policy No. 895049 for a period of three years commencing May 15, 1966. This policy is on file with the Controller.

MONEY AND SECURITIES INSURANCE

Pursuant to Ordinance No. 50-62 the Treasurer is insured by St. Paul Fire and Marine Insurance Co. Policy No. 504-BA-2340, for a three year period beginning June 1, 1964, as follows:

Inside premise coverage:	
Money and securities or other property	\$ 750,000
Securities only	10,000,000
Outside premise coverage:	
Money and valuables	500,000

SUMMARY OF CASH AND SECURITIES

	<u>June 30th</u>	
	<u>1966</u>	<u>1965</u>
<u>CASH AND CASH ITEMS</u>		
<u>CASH AND CASH ITEMS ON HAND</u>		
Coin and Currency	\$ 671,494.01	\$ 597,210.22
Checks on Hand for Deposit	476,342.77	1,737,480.30
Due from Clearing House	90.26	1,059.02
Total	<u>\$ 1,147,927.04</u>	<u>\$ 2,325,749.54</u>
<u>CASH IN BANKS</u>		
Active Accounts	\$ 16,661,478.35	\$ 15,120,605.24
Inactive Accounts	<u>139,971,236.80</u>	<u>132,350,076.43</u>
Total	<u>\$156,632,715.15</u>	<u>\$147,470,681.67</u>
<u>UNITED STATES BONDS (PAR VALUE)</u>		
	<u>\$ 60,150.00</u>	<u>\$ 75,100.00</u>
<u>CASH RECEIVED AFTER JUNE 30, 1966 AND APPLIED TO FISCAL YEAR 1965-1966</u>		
	<u>\$ 2,108,969.76</u>	<u>\$ 1,732,107.34</u>
Total (Exhibit "C" and "D")	<u>\$159,949,761.95</u>	<u>\$151,603,638.55</u>
<u>SECURITIES</u>		
<u>BONDS (PAR VALUE)</u>		
Collateral from Banks (Exhibit "A-1")	\$215,741,000.00	\$211,314,000.00
Employees' Retirement Fund	354,651,310.07	336,511,971.66
Bequest Funds	186,000.00	186,000.00
Trust Funds	15,000.00	15,000.00
Deposit on Leases	134,000.00	136,000.00
Miscellaneous Deposits	<u>1,425.00</u>	<u>1,475.00</u>
Total	<u>\$570,728,735.07</u>	<u>\$548,164,446.66</u>
<u>OTHER (PAR OR FACE VALUE)</u>		
Corporate Stock (Bequest Funds)	\$ 2,475.50	\$ 36,348.25
Certificates (Lease Deposits)	<u>29,200.00</u>	<u>23,200.00</u>
Total	<u>\$ 31,675.50</u>	<u>\$ 59,548.25</u>
Total	<u>\$570,760,410.57</u>	<u>\$548,223,994.91</u>
Total Cash and Securities	<u><u>\$730,710,172.52</u></u>	<u><u>\$699,827,633.46</u></u>

REQUESTS, TRUST FUNDS AND MISCELLANEOUS ASSETS
IN JOINT CUSTODY VAULT JUNE 30, 1966

<u>BEQUEST FUNDS</u>	<u>BONDS PAR VALUE</u>	<u>FACE VALUE CORPORATE STOCK</u>	<u>CONTROLLER'S BOOK VALUE</u>
Brunetti	\$	\$ 40.50	\$ 94.25
Fuhrman	115,000.00		115,250.00
Herzstein	8,000.00		8,379.01
Lewis		260.00	2,000.00
Marx	2,000.00		2,072.86
Olsen	1,000.00		992.81
Robinson	40,000.00		40,000.00
Salinger		2,175.00	25,401.95
Sutro	5,000.00		4,996.88
Windel	<u>15,000.00</u>		<u>15,009.38</u>
Total	\$186,000.00	\$ 2,475.50	\$ 214,197.14

TRUST FUNDS

Panama Pacific Exposition	<u>15,000.00</u>		<u>15,585.00</u>
Total Bequest & Trust Funds	<u>\$201,000.00</u>	<u>\$ 2,475.50</u>	<u>\$ 229,782.14</u>

DEPOSIT ON LEASES

		<u>FACE VALUE CERTIFICATES</u>	
Elsie A. Conidi	\$ 1,500.00	\$	\$ 1,500.00
Di Salvo Trucking Company	2,000.00	1,000.00	3,000.00
Elias Leider	2,500.00		2,500.00
Lurie and Company			
Mission Street Merchant's Ass'n.		5,000.00	5,000.00
Savoy Auto Parks & Garage Inc.		15,000.00	15,000.00
William H. Segale	1,000.00		1,000.00
Studinger and Ward	1,000.00		1,000.00
Arthur R. Viargues	1,000.00		1,000.00
Welch Catering-Civic Center		5,000.00	5,000.00
-Kezar		1,000.00	1,000.00
-Opera		1,200.00	1,200.00
Woodfield Company	125,000.00		125,000.00
Betty D. Wright		<u>1,000.00(1)</u>	<u>1,000.00</u>
Total	<u>\$134,000.00</u>	<u>\$29,200.00</u>	<u>\$ 163,200.00</u>

MISCELLANEOUS DEPOSITS

County Clerk		
Estate of Henry J. Byrne		
Missing Person	<u>\$ 1,425.00</u>	<u>\$ 1,425.00</u>

(1) Treasurer of the United States check.

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

	Fiscal Year Ended June 30th		
	<u>1966</u>	<u>1965</u>	<u>1964</u>
<u>REVENUES</u>			<u>1963</u>
Interest Earned on Deposit of Public Funds	\$5,789,853.08	\$5,035,990.37	\$4,291,346.30
Commission on Inheritance			\$3,397,413.33
Tax Collections	50,000.00	50,000.00	25,000.00
Other Fees	731.00	657.50	252.50
Conscience Money			210.00
Total	<u>\$5,840,584.08</u>	<u>\$5,086,647.87</u>	<u>\$4,317,128.80</u>
			<u>\$3,422,923.83</u>
<u>EXPENDITURES AND ENCUMBRANCES</u>			
Permanent Salaries	\$ 178,266.56	\$ 171,515.16	\$ 145,733.77
Allowance for Overtime	39.35	105.39	127.52
Temporary Salaries	2,495.05	2,092.31	305.32(2)
Contractual Services	8,148.91	8,149.86	7,922.89
Fiscal Agent - New York	15,119.04	16,718.06	18,794.26
Materials and Supplies	2,095.36	2,222.59	1,999.48
Equipment	274.23	219.83	221.76
Fixed Charges			12,160.36
Total	<u>\$ 206,438.50</u>	<u>\$ 198,711.06</u>	<u>\$ 187,175.36</u>
			<u>\$ 163,202.99</u>
Net Revenues	<u>\$5,634,145.58</u>	<u>\$4,887,936.81</u>	<u>\$4,129,953.44</u>
			<u>\$3,259,720.84</u>

(1) Includes \$1,209.55 Reserve for Adjustment.

(2) Military Leave.

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
<u>CASH TRANSACTIONS</u>	<u>1966</u>	<u>1965</u>
<u>CASH BALANCE - BEGINNING OF YEAR</u>	<u>\$151,603,638.55</u>	<u>\$149,998,652.53</u>
<u>RECEIPTS</u>		
Receipts	\$ 510,837,209.41	\$ 484,238,412.58
Journal Transfers (Contra)	<u>520,706,073.51</u>	<u>460,132,941.68</u>
Total	<u>\$1,031,543,282.92</u>	<u>\$ 944,371,354.26</u>
Total Balance and Receipts	<u>\$1,183,146,921.47</u>	<u>\$1,094,370,006.79</u>
<u>DISBURSEMENTS</u>		
Cash Disbursements	\$ 502,491,086.01	\$ 482,633,426.56
Journal Transfers (Contra)	<u>520,706,073.51</u>	<u>460,132,941.68</u>
Total	<u>\$1,023,197,159.52</u>	<u>\$ 942,766,368.24</u>
<u>CASH BALANCE - END OF YEAR</u>	<u>\$ 159,949,761.95</u>	<u>\$ 151,603,638.55</u>
(EXHIBITS "A" AND "D")		

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
<u>CURRENT FUNDS</u>	<u>1966</u>	<u>1965</u>
Cash Balance - Beginning of Year	\$ 92,968,841.52	\$ 88,739,717.45
Cash Receipts	386,182,236.21	349,111,033.03
Journal Transfers	495,884,582.40	425,034,723.79
Total Available	\$975,035,660.13	\$862,885,474.27
Cash Disbursements	\$350,242,657.36	\$328,267,921.03
Journal Transfers	509,210,962.01	441,648,711.72
Total Disbursements	\$859,453,619.37	\$769,916,632.75
CASH BALANCES - END OF YEAR (EXHIBIT "D")	<u>\$115,582,040.76</u>	<u>\$ 92,968,841.52</u>
<u>CAPITAL FUNDS</u>		
Cash Balance - Beginning of Year	\$ 36,224,145.58	\$ 44,846,602.13
Cash Receipts	13,269,015.57	17,087,754.21
Journal Transfers	3,423,113.76	8,971,670.91
Total Available	\$ 52,916,274.91	\$ 70,906,027.25
Cash Disbursements	\$ 18,234,239.31	\$ 19,901,994.63
Journal Transfers	8,577,993.06	14,779,887.04
Total Disbursements	\$ 26,812,232.37	\$ 34,681,881.67
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 26,104,042.54</u>	<u>\$ 36,224,145.58</u>
<u>TRUST AND ASSESSMENT FUNDS</u>		
Cash Balance - Beginning of Year	\$ 22,410,651.45	\$ 16,412,332.95
Cash Receipts	111,385,957.63	118,039,625.34
Journal Transfers	21,398,377.35	26,126,546.98
Total Available	\$155,194,986.43	\$160,578,505.27
Cash Disbursements	\$134,014,189.34	\$134,463,510.90
Journal Transfers	2,917,118.44	3,704,342.92
Total Disbursements	\$136,931,307.78	\$138,167,853.82
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 18,263,678.65</u>	<u>\$ 22,410,651.45</u>
TOTAL CASH ON HAND (EXHIBITS "A" AND "D")	<u>\$159,949,761.95</u>	<u>\$151,603,638.55</u>

City and County of San Francisco
Employees' Retirement System



EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1966

FARQUHAR & HEIMBUCHER

Certified Public Accountants

220 BUSH STREET
SAN FRANCISCO 4, CALIFORNIA

February 16, 1967

To the Honorable Nathan B. Cooper, Controller
City and County of San Francisco
San Francisco, California

We have examined the balance sheet of the San Francisco City and County Employees' Retirement System at June 30, 1966 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves, together with the notes thereto, present fairly the financial position of the San Francisco City and County Employees' Retirement System at June 30, 1966 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Farquhar & Heimbucher

San Francisco City and County Employees' Retirement System

BALANCE SHEET AT JUNE 30, 1966

Assets

CASH		\$ 5,375,188
RECEIVABLES		
Employees' contributions in process of collection	882,287	
City and County of San Francisco contributions and reimbursements	893,149	
Bond interest accrued	<u>3,716,638</u>	5,492,074
BOND INVESTMENTS AT AMORTIZED VALUE (Par Value - \$ 354,651,310)		
United States Government	44,916,093	
Canadian	3,056,381	
California municipalities	2,019,217	
Other municipalities	2,121,271	
Authorities	348,460	
Public Utilities	224,736,844	
Railroads	37,001,080	
Industrial companies	30,255,425	
Financial	5,681,026	
International Bank for Reconstruction and Development	<u>3,078,441</u>	353,214,238
		<u>\$ 364,081,500</u>

Liabilities

LIABILITIES CURRENTLY PAYABLE

Tax appropriations in excess of current requirements, payable to the City and County of San Francisco	\$	363,673	
Accumulated contributions of former members		23,261	
Administrative and compensation costs payable		<u>33,368</u>	420,302

RESERVES

For current service benefits already granted			
Service retirements			
Annuities		20,555,873	
Pensions		49,881,645	
Disability retirements			
Annuities		3,254,945	
Pensions		28,968,686	
Industrial death allowances			
Annuities		603,490	
Pensions		<u>6,860,202</u>	110,124,841
For current service benefits not yet granted			
Members' accumulated contributions		118,803,830	
City and County of San Francisco accumulated contributions		<u>116,171,000</u>	234,974,830
City and County of San Francisco contributions reserved for benefits not otherwise funded			3,519,856
Unallocated earnings from the sale of bonds			320,744
Contingency reserve against adverse experience			
Mortality stabilization reserve		3,047,050	
Unallocated		<u>11,673,877</u>	<u>14,720,927</u>
	\$		<u><u>364,081,500</u></u>

San Francisco City and County Employees' Retirement System

STATEMENT OF CHANGES IN RESERVES

For the Year ended June 30, 1966

MEMBERS' CONTRIBUTIONS

Normal

General	\$ 9,301,636		
Police	821,418		
Fire	<u>744,137</u>	10,867,191	
Additional		21,869	
Redeposit of withdrawn contributions		<u>20,449</u>	10,909,509

CITY AND COUNTY OF SAN FRANCISCO

REGULAR CONTRIBUTIONS

Current service reserves

General	5,718,638		
Police	2,525,838		
Fire	<u>1,807,709</u>	10,052,185	

Current service benefits

General	5,536		
Police	220,852		
Fire	<u>1,687,380</u>	1,913,768	

Prior service benefits

General	595,773		
Police	997,493		
Fire	<u>1,710,030</u>	<u>3,303,296</u>	15,269,249

INCOME

Bond interest earned	13,799,797		
Other income	226		
Gain from sale of bonds	<u>3,777</u>		13,803,800

CITY AND COUNTY OF SAN FRANCISCO

OTHER CONTRIBUTIONS

For administrative expenses

(Contra)		432,199	
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For compensation costs

incurred (Contra)	<u>569,790</u>	<u>1,001,989</u>	
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Total reserve additions forward

\$ 40,984,547

Total reserve additions forward		\$	<u>40,984,547</u>
DISBURSEMENTS TO MEMBERS AND BENEFICIARIES			
Allowances and benefits paid			
From accumulated contributions			
Members	3,458,508		
City and County of San Francisco	8,654,806		
From current contributions	<u>5,217,063</u>	17,330,377	
Accumulated contributions withdrawn		<u>3,333,289</u>	20,663,666
ADMINISTRATIVE EXPENSES PAID (CONTRA)			432,199
COMPENSATION COSTS INCURRED (CONTRA)			
Weekly benefits	387,579		
Medical expenses	500,628		
Administrative expenses	<u>34,480</u>		
	922,687		
Less Subrogation recoveries	<u>984</u>	921,703	
Reimbursements from special funds		<u>351,913</u>	<u>569,790</u>
Total reserve reductions			<u>21,665,655</u>
EXCESS OF RESERVE ADDITIONS OVER REDUCTIONS			19,318,892
RESERVES AT JUNE 30, 1965			<u>344,342,306</u>
RESERVES AT JUNE 30, 1966			
For current service benefits already granted		110,124,841	
For current service benefits not yet granted		234,974,830	
City and County of San Francisco contributions reserved for benefits not otherwise funded		3,519,856	
Unallocated earnings from sale of bonds		320,744	
Contingency reserve against adverse experience		<u>14,720,927</u>	
		\$	<u><u>363,661,198</u></u>

San Francisco City and County Employees' Retirement System

NOTES TO FINANCIAL STATEMENTS

June 30, 1966

The Retirement System has estimated the reserve requirements at June 30, 1966 for compensation claims pending under the workmen's compensation laws of the State of California to be \$ 3,800,000. Compensation claims are paid by the Retirement System out of funds provided by the City and County of San Francisco in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

Reserves are not provided to meet pension requirements for current or prior service of policemen retired under charter section 166 or of firemen retired under charter section 169 nor for prior service of other members. These benefits are provided out of current contributions of the City and County of San Francisco. The estimated requirements for these benefits at June 30, 1963, were \$ 51,631,560 based on an actuarial survey at that date.

SUPPLEMENTARY FINANCIAL INFORMATION

The accompanying supplementary financial information, while not essential to a fair presentation of overall financial position and results of operations, is submitted as additional analytical data.

In our opinion, the information contained in the comments and schedules which follow is presented fairly in all material respects in relation to the financial statements of the San Francisco City and County Employees' Retirement System for the year ended June 30, 1966, which appear at the front of this report.

SUMMARY OF CONTENTS

General Comments

Comments on Operations

Comments on Balance Sheet

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated January 26, 1966. Mr. Ralph Sheehan, Grand Jury Statistician, participated.

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922. Membership in the System at present includes all permanent civil service employees of the City and County of San Francisco and the San Francisco Unified School District, certain part time employees, and certain elective officials. The active membership at June 30, 1966 was 20,604 and 6,048 retired employees or their beneficiaries were then receiving monthly benefit

allowances.

The System is administered by the Retirement Board consisting of seven members. They are the President of the Board of Supervisors, the City Attorney, three active members of the System elected by the membership, and two members appointed by the Mayor of whom one is an officer of a bank, and the other a resident official of a life insurance company.

The members of the Retirement Board at June 30, 1966 are Mr. Peter Tamaras, President of the Board of Supervisors; Mr. Thomas A. Toomey, the designated representative of Mr. Thomas M. O'Connor, City Attorney; Mr. Daniel Diez; Mr. Phil Kearney, and Mr. Martin F. Wormuth, elected by the membership; and Mr. John O'Meara of The Hibernia Bank. One vacancy exists due to the resignation during the year of Mr. Thomas S. Morgan of Thomas S. Shea & Associates. Mr. Daniel Mattrocce is General Manager of the System.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we compared members' contributions with payroll records and with established contribution rates on a test basis. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under charter section 165, the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing

under charter sections 165.2, 168.1 and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

<u>Department</u>	<u>Charter Section</u>	<u>Rate</u>
Police Department	168.1	15.798%
Fire Department	171.1	12.791
Others	165 (16.70-1)	4.62
All others	165.2	5.166

The above rates were computed on the basis of an actuarial survey at June 30, 1964, adjusted for charter amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior and current service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premium plus accumulation of discount.

Other contributions of the City and County of San Francisco represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$ 10,727,259
Disability retirements	3,866,033
Industrial death allowances	1,177,694
Death benefits to members' beneficiaries	930,354
Death benefits to beneficiaries of retired employees	<u>629,037</u>
Total	\$ <u>17,330,377</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on certain of the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

City and County of San Francisco Contributions and Reimbursements - \$ 893,149

A summary of the balances due from the City and County of San Francisco at June 30, 1966 is as follows:

City and County contributions due from public utilities and special funds	\$ 819,170
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	5,152
Due from special funds: Compensation costs	<u>68,827</u>
Total	\$ <u>893,149</u>

The amount of City and County of San Francisco contributions due from public utilities and special funds represents the portion of retirement contributions for December 1965 through June,

1966 for which cash transfers were made after June 30, 1966.

Contributions of policemen, made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest, and charged against current tax appropriations.

Bond Investments - \$ 353,214,238

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection at June 30, 1966.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1966. None of the bonds owned appeared in default as to principal or interest at June 30, 1966, and all appeared to be of a character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to \$ 320,744 at June 30, 1966, is shown as a reserve as described later in this report.

Reserves for Current Service
Benefits Already Granted - \$ 110,124,841

This account represents the accumulated contributions transferred to provide annuities and pensions for current service to retired

members on their beneficiaries, plus interest, less benefits paid. The amount necessary at June 30, 1963, based on an actuarial survey at that date to provide current service benefits to members retired at that date or their beneficiaries exceeded the sum of these reserves and City and County of San Francisco contributions reserved for benefits not otherwise funded by \$ 3,047,050. In recognition of this, a mortality stabilization reserve described later in this report has been established.

Reserves for Current Service Benefits
Not Yet Granted - \$ 234,974,830

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amount to \$ 118,803,830, representing the aggregate of the balances reflected on individual members' accounts.

City and County of San Francisco accumulated contributions, \$ 116,171,000 for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1966 interest was credited to these accounts at the rate of four per cent.

City and County of San Francisco Contributions
Reserved for Benefits not Otherwise Funded - \$ 3,519,856

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded consist of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1946, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or

death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1965		\$ 3,329,327
Increases		
Contributions released by death of active members	10,821	
Interest credited	<u>239,495</u>	<u>250,316</u>
		3,579,643
Decreases		
Death benefits paid to beneficiaries of matching plan members		<u>59,787</u>
Balance at June 30, 1966		\$ <u>3,519,856</u>

Unallocated Earnings from the Sale of Bonds - \$ 320,744

Unallocated earnings from sale of bonds represent the unabsorbed portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds

Year ended June 30, 1943	\$ 400,421	
1944	1,418,102	
1945	3,207,543	
1954	31,051	
1955	<u>57,766</u>	5,114,883
Profit applied for 22 years ended June 30, 1965		<u>4,786,937</u>
Balance undistributed at June 30, 1965		327,946
Profit applied for year ended June 30, 1966		
Applicable to bonds held at end of the year		<u>7,202</u>
Balance undistributed at June 30, 1966		\$ <u><u>320,744</u></u>

Contingency Reserve against Adverse
Experience - \$ 14,720,927

The mortality stabilization reserve, \$ 3,047,050, was established in recognition of the deficiency in the reserves for benefits already granted as determined by an actuarial survey at June 30, 1959. The Retirement Board, on March 29, 1961, directed that a part of the interest over and above that credited to contributions, in the amount of \$ 3,691,866 be held in ledger accounts of the System as a mortality stabilization reserve on account of outstanding retirement and death allowances. On July 29, 1964, the Board directed that the account be reduced to \$ 3,047,050. This amount is based on an actuarial survey dated June 30, 1963.

The unallocated portion of the contingency reserve against adverse experience, \$ 11,673,876, represents accumulated profits of \$ 1,969,138 on the sale of bonds and interest earned on investment in excess of the amounts allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board, less the amount held as a mortality stabilization reserve.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 14, 1949.

Changes in this account during the year under review were as follows:

Balance, June 30, 1965		\$ 11,174,414
Bond interest earned	13,799,797	
Prior years profit on sale of bonds applied during current year	7,202	
Interest earned on City and County of San Francisco balance	225	
	<u>13,807,224</u>	
Gain on sale of bonds	<u>3,777</u>	<u>13,811,001</u>
		24,985,415
Less Interest credited to accumulated contributions and reserves		<u>13,311,539</u>
Unallocated balance at June 30, 1966		\$ <u><u>11,673,876</u></u>



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